EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,625

Wednesday December 4 1991

D 8523A

Austria	[illegible]	Indonesia	[illegible]	Pakistan	[illegible]
Bahrain	[illegible]	Iran	[illegible]	Philippines	[illegible]
Belgium	[illegible]	Israel	[illegible]	Poland	[illegible]
Cyprus	[illegible]	Italy	[illegible]	Portugal	[illegible]
Czech	[illegible]	Jordan	[illegible]	Qatar	[illegible]
Denmark	[illegible]	Korea	[illegible]	S.Arabia	[illegible]
Egypt	E£3.50	Kuwait	Fils500	Singapore	S$4.10
Finland	FM10	Lebanon	L£1,000	Spain	Pta175
France	FFr9.00	Lux	LFr60	Sweden	SKr13
Germany	DM3.00	Morocco	MDh18	Switz	SFr2.70
Greece	Dr200	Neth	Fl 3.50	Thailand	Bht50
Hungary	Ft162	Nigeria	Naira18	Tunisia	Din0.800
Iceland	ISKr180	Norway	NKr13.00	Turkey	L5000
India	Rs20	Oman	OR1.20	UAE	Dh8.50

Colombia

The poppy triangle grows

Page 8

World News

Last of the US hostages expected to go free today

Terry Anderson, the longest-held hostage in Lebanon, will be freed today, a Moslem fundamentalist source said soon after another American, Alann Steen, was freed in Beirut following 1,773 days in captivity. Freedom for Anderson would begin the final chapter in the seven-year hostage drama. Two German aid workers are still held. Page 18

Kohl minister quits

The scandals surrounding Germany's espionage agencies claimed their most eminent victim with the resignation of Lutz Stavenhagen, Chancellor Helmut Kohl's minister directly responsible for the security services. Page 3

Sterling's future

"In a decade's time, the British will wake up to the fact that any importance of sterling will have evaporated. Either the Ecu will be equal in importance to the dollar; or, even worse for the British, the D-Mark will have become by far the dominant currency in Europe." In today's FT, former west German Chancellor Helmut Schmidt gives his personal view of the tough questions waiting at Maastricht. Page 17

Vance in Osijek

United Nations envoy Cyrus Vance toured the Croatian frontline town of Osijek and said he saw evidence of ceasefire violations by the Yugoslav army. Page 2

Neo-Nazis raided

German police seized weapons in more than 100 raids on the homes of neo-Nazis in 32 cities.It was part of a crackdown on violence against foreigners. Page 18

Japan backs UN role

Japan's lower house of parliament passed a bill that would authorise the first dispatch of ground troops abroad since the Second World War. They would serve in UN-sanctioned actions. Page 5

Moscow talks date

The US and the Soviet Union sought to maintain the pace of the Middle East peace process by announcing that the third stage of negotiations would open in Moscow at the end of January. Page 4

Europe fights crime

The EC is to set up a European police organisation, called Europol, to exchange information on drug trafficking and cross-border crime. Page 3

Boutros Ghali appointed

Egypt's deputy premier Boutros Boutros Ghali was formally appointed by the UN General Assembly to be secretary-general for a five-year term beginning in January. Page 4

Togo premier seized

Togo's prime minister Joseph Koffigoh was captured in a bloody attack on his residence by renegade soldiers. Page 4

Magistrates strike

Italian magistrates staged a one-day strike to protest at what they see as political interference by President Francesco Cossiga. Page 2

Khmer Rouge pledge

Khmer Rouge leader Khieu Samphan, who was attacked by an angry mob and thrown out of Phnom Penh last week, is to return to the Cambodian capital. Page 5

Business Summary

Visa to allow US non-bank companies to issue cards

Visa, US credit card company, is to end a year-old moratorium and allow non-bank organisations in the US to issue its cards.

The decision marks a radical change in a policy aimed in the past at holding back industrial and commercial companies that were beginning to move into the card market. Page 19

GENERAL MOTORS of the US, world's leading vehicle maker, is tightening its grip on the management of Isuzu, its troubled Japanese affiliate, by putting two GM executives on to its board. Page 20

NIPPON Telegraph and Telephone: Japan's Ministry of Finance will release more shares in the telecommunications utility this financial year despite fears that the ailing Tokyo stock market will be unable to digest them. Page 21

BANCO EXTERIOR: The Spanish government will privatise almost 20 per cent of its largest public sector financial institution next year to reduce pressure on the country's public sector deficit. Page 24

URUGUAY ROUND: US farmers cannot accept a deal on farm trade reform on the terms so far offered by the European Community, the trade talks were told. Page 7

SAUDI Basic Industries Corporation, Saudi Arabian petrochemical group, will borrow up to $2bn from domestic banks in 1992 to finance expansion plans. Page 23

US COMMERCIAL aircraft industry has benefited from "massive and systematic" government support worth up to $41bn over 15 years, the European Commission claims. Page 18

FALKLANDS OIL: Talks aimed at co-operation between Britain and Argentina in managing potential resources around the islands open in London today. Page 6

STERLING'S weakness against the D-Mark forced the Bank of England to spend up to $418m – twice what the markets had expected – supporting the pound last month. Page 10

ROYAL BANK of Canada, Canada's biggest financial institution, lifted net income to C$933.5m (US$870m) for the year to end-October from C$964.9m in fiscal 1990. Page 30

GUINNESS, UK drinks group, made its seventh international bond issue of the year, raising A$75m ($59m) five-year funds through Guinness Finance Australia in a deal lead managed by Hambros Bank. It brings to £800m ($1.4bn) equivalent the total raised by the company from bond market investors this year. Page 33

BRENT WALKER, troubled leisure company, said it paid £43m ($76m) for advice from lawyers, accountants and merchant banks in its attempt to avoid receivership. It posted losses of £134m before tax in the 28 weeks to July 14. Figures for the comparable period were not available. Page 27

UNICHEM, UK pharmaceuticals wholesaler whose bid for Macarthy, drugs retailer and manufacturer, has been referred to the Monopolies and Mergers Commission, is stepping up its move into retailing through a £35.1m ($62m) rights issue and the separate £27m acquisition of UK pharmacist E Moss. Page 26

KABI PHARMACIA, pharmaceutical arm of Swedish conglomerate Procordia, is acquiring for SKr500m ($83.9m) the controlling interest held by Swedish company Fermenta, in Italian pharmaceutical group Pierrel. Page 20

Republics told disintegration of union could bring international catastrophe

Gorbachev warns of 'tragic danger'

By John Lloyd in Moscow and Chrystia Freeland in Kiev

MR Mikhail Gorbachev, the Soviet president, last night appealed to the Soviet people to uphold the union or risk the "the most tragic of impending dangers". War, hunger and even nuclear exchanges could follow if the union was disintegrated, Mr Gorbachev warned.

His appeal follows an overwhelming vote for independence by Ukraine, the second-largest republic, on Sunday.

"Disintegration is fraught with the danger of ethnic, inter-republican clashes, even wars", Mr Gorbachev said, in an appeal sent to the deputies of the 12 Soviet republics. "This could be a catastrophe for the entire international community and would dash all the achievements resulting from our new thinking". The republics are due to consider whether or not to sign a new union treaty – so far agreed in principle by the leadership of only seven.

■ Four paragraphs speak volumes for US policy Page 2

■ The day the Soviet Union probably ceased to exist Page 16

In veiled references to a loss of control over the strategic nuclear forces split between the republics of Russia, Ukraine, Kazakhstan and Belorussia, the Soviet president talked of "common security ... ultimately eroding"; and of being "unable to avoid international catastrophe". Last night, Nato urged the breakaway Ukraine republic to renounce nuclear weapons, abide by all the Soviet Union's international commitments and sort out its relations with Moscow and other republics peacefully.

Mr Gorbachev also warns, in an interview to be published in the weekly Literaturnaya Gazeta, that "a new coup may now be in preparation – possibly within the military industrial circles, or in the banned Communist Party structures. His spokesman, Mr Andrei Grachev, said yesterday that the army now risked being drawn into becoming "the instrument of unconstitutional political forces which may be revived" – a clear reference to the Communist Party.

Though this is the Soviet President's most charged and doom-laden warning yet, in which he refers to a "crisis of statehood," it appeared to have been made on the far side of the last ditch. The Ukraine's 90 per cent vote for independence has buoyed a leadership which contemptuously dismisses any notion of union on Mr Gorbachev's terms. The republic is now achieving or expecting to achieve recognition from major world states.

Mr Leonid Kravchuk, in a telephone conversation with Mr George Bush, the US president yesterday – shown on Ukrainian television – said he expected the US to recognise the country soon.

He also said that Mr Boris Yeltsin, the Russian president, would officially recognise the Ukraine when the full results of the referendum on independence are known tomorrow – and added that Mr Gorbachev had assured him that he would take no steps against Ukraine.

Leaders of the three Slav republics of Russia, Belorussia and Ukraine are to meet in the Belorussian capital of Minsk on Saturday to discuss the Ukrainian proposal for a loose confederation of the three states – bypassing the proposed renewed union treaty, according to Mr Anatoly Zlenko, the Ukrainian foreign minister.

Mr Leonid Kravchuk, the Ukrainian president, has called on these three republics, with Kazakhstan, to hold separate talks on control of their strategic nuclear forces - again circumventing the union structures.

International reaction to the Ukrainian referendum is now gathering force behind a common recognition that the centre no longer holds, and that there is no alternative to separate recognition of republics. The US has laid out a list of conditions – control of nuclear weapons,observance of debt commitments, respect for democracy and civil rights and commitment to the free market – which would apply both to the Ukraine and to other republics seeking recognition.

Both the US and Germany are sending high level envoys to Kiev shortly – the German envoy, Mr Wilhelm Heink, travelling on to Kazakhstan and the US envoy, Mr Thomas Niles, being followed at the end of the month by Mr James Baker, US Secretary of State, who will then go on to Moscow.

Romania has joined other central European states in recognising Ukraine – while Hungary has said it will open direct diplomatic relations with Russia. The Indian minister of state for external affairs, Mr Eduardo Faleiro, was reported by the official news agency Tass as saying his country would establish direct relations with former Soviet republics.

Underlining the collapse in union structures, Mr Yeltsin, with 14 other Russian deputies, has resigned his mandate as a USSR peoples deputy. According to Tass, many of those resigning explained their decision by saying it was "impossible to fulfil a deputy's responsibilities".

Debt crisis deepens at Maxwell companies

By Robert Peston and Raymond Snoddy in London

PRIVATE companies owned by the Maxwell family must come up with more than £200m ($355m) by the end of the week or they will be put into administration, a UK insolvency procedure, bankers said yesterday.

One of the banks involved said there was also greatly increased financial pressure on Maxwell Communication Corporation, one of the public companies controlled by the Maxwell family, but it was in no bank's interest to put it into administration.

The gravity of the crisis was underlined yesterday when Mr Kevin Maxwell resigned as chairman and chief executive of MCC, the posts he has filled since the death of his father, Mr Robert Maxwell, a month ago. His brother, Mr Ian Maxwell, also resigned from MCC and later from Mirror Group Newspapers, the other public Maxwell company.

The bankers' pessimism was a reaction to the unexpected news, given to them at an emergency meeting, that £300m is owed directly and indirectly by Headington Investments and other private companies to MCC and MGN. "When we were given the restated valuation of liabilities ... there was an audible gasp", said a banker at the meeting.

■ Lex Page 22
■ Attention in US focuses on future of Macmillan
■ Banks to hold off until Friday Page 25

Bankers were also told that a separate set of new liabilities at the private companies had been uncovered. They had borrowed between £30m and £40m worth of MCC and MGN shares from the MCC and MGN pension funds and pledged these shares to banks as collateral against loans. The pension fund trustees have written to the banks questioning their right to dispose of MCC and MGN shares held as collateral.

"The private companies will only survive if they can raise more than £200m in new funds within the next few days", said a banker. "There is no chance of the banks providing that."

Another banker said he was pessimistic the funds could be obtained from other sources. The banks' informal agreement not to call in their loans to the private companies – known as a standstill agreement – expires on Friday.

Mr Pen Kent, a director of the Bank of England, is monitoring the situation closely and is unlikely to intervene to prevent the appointment of an administrator.

If the private companies collapse, it will be the biggest UK corporate failure since Polly Peck International went into administration in 1990. Big UK banks have lent an estimated £380m to the private companies and face big losses.

National Westminster Bank, which has lent about £150m, chaired a crisis meeting yesterday morning of more than 30 banks, owed more than £900m by the private companies. They were given the unexpected news that the private companies also owe about £300m to MCC and MGN.

The private companies owe an estimated £250m to MCC. The structure of the debt is complicated. About half is "long term", according to a banker, meaning it was lent some time ago and is not repayable immediately. Of this, a quarter was channeled by MCC through an offshore vehicle set up for tax purposes.

The rest was lent directly to the private companies since May, which is further evidence of the financial difficulties

Continued on Page 18

Ashley Ashwood

Crisis meeting: Ian (left) and Kevin Maxwell arriving for discussions with their bankers in London yesterday

UK wins battle to drop 'federal' goal from treaty

By David Gardner and David Buchan in Brussels

IN YESTERDAY'S final ministerial negotiation before next week's Maastricht summit, it looked certain that Britain's partners would agree to omit the reference to "a federal goal" from the treaty's preamble.

Mr Hans van den Broek, Dutch foreign minister, confirmed that dropping federalism "will be part of the package and there will be a price to be paid" by Britain.

European monetary union by the end of this century also grew more certain last night, after a French plan to decide by majority voting on a single currency drew wide support.

The new French plan would effectively set a final date for introducing a single currency for at least some member states. Lack of a fixed date for economic and monetary union (Emu), during the year-long negotiations, has troubled many of Germany's partners, worried that Bonn's openness to Emu may not last.

■ Emu accords confirmed
■ Eurocrats get down to the donkey work Page 2
■ Editorial comment Page 16
■ Helmut Schmidt asks the tough questions
■ The odd man out Page 17

Mr Theo Waigel, Germany's finance minister, indicated his crucial backing for the French plan. This would leave the first attempt at agreeing Emu in 1996-7 to an EC summit, where decisions are taken by consensus. If that failed, a summit two years later could within two years opt for a single currency by a simple majority, Mr Pierre Beregovoy, France's finance minister proposed. Mr Norman Lamont, the UK chancellor of the exchequer, said he saw "no reason why if such an *important decision* [on introducing Emu] should be decided the first time by unanimity, it should not be dealt with by unanimity subsequently". The issue will go to Maastricht for resolution. Mr Lamont said the UK and other countries reserved their position on the French plan.

The federal goal reference will now be replaced by a commitment to "closer union between member states and government as close as possible to its citizens," according to Mr Roland Dumas, the French foreign minister.

This would replace the UK's "F-word" bugbear with language similar to that in the current treaty. It would also incorporate Britain's call for a commitment to "subsidiarity" - the doctrine that decisions should be taken at the lowest feasible level of government - which Germany and The Netherlands insist means the same thing as federalism anyway.

This political and psychological breakthrough for Mr John Major's government came on a day when the Twelve moved closer to agreeing on the EC's

Continued on Page 18

CONTENTS

US-Israel ties hold the key to Middle East peace process

It has taken even less time than pessimists feared for the Middle East peace process to suffer its first stumble, and the obstacle proved to be the relationship between the Israel of prime minister Yitzhak Shamir and the US. Page 4

MARKETS

STERLING
New York lunchtime:
$1.772
London:
$1.7715 (1.7765)
DM2.8575 (same)
FFr9.765 (9.77)
SFr2.5275 (2.53)
Y229.25 (230.75)
£ index 90.5 (90.6)

GOLD
New York Comex Feb
$366.5 (369.9)
London:
$367.95 (same)

N SEA OIL (Argus)
Brent 15-day Jan
$19.425 (19.925)

Chief price changes yesterday: Page 19

DOLLAR
New York lunchtime:
DM1.614
FFr5.519
SFr1.42835
Y129.57
London:
DM1.6135 (1.609)
FFr5.5125 (5.50)
SFr1.4275 (1.424)
Y129.45 (129.95)
$ index 63.1 (63.0)
Tokyo close:129.30

US lunchtime rates
Fed Funds: $4\frac{13}{16}$%
3-mo Treasury Bills:
4.472%
Long Bond:
$100\frac{15}{16}$
yield: 7.912%

STOCK INDICES
FT-SE 100:
2,420.2 (+5.3)
FT-A All-Share:
1,166.18 (+0.1%)
FT-SE Eurotrack 100:
1,056.25 (+8.27)
New York lunchtime:
DJ Ind. Av.
2,933.59 (–1.79)
S&P Comp
381.16 (–0.24)
Tokyo: Nikkei
22,166.83 (+174.54)

LONDON MONEY
3-month Interbank:
$10\frac{11}{16}$% ($10\frac{11}{16}$%)
Liffe long gilt future:
Dec $94\frac{3}{16}$ ($93\frac{23}{32}$)

Dutch presidency rules out vote before end of year on 48-hour week and Sunday day of rest

EC working time directive shelved

By Andrew Hill in Brussels

THE controversial EC working time directive was yesterday consigned to legislative limbo by social affairs ministers, at least until their next meeting in the New Year, and possibly until 1993.

The Dutch presidency of the EC began yesterday's meeting by announcing there would be no vote on the measure, which would restrict employees to a 48-hour maximum working week, and enshrine Sunday as the day of rest "in principle".

A number of ministers – led by Mr Michael Howard, the British employment secretary – unearthed their old objections to the directive: objections which the Dutch have tried to bury in a series of working groups and bilateral ministerial meetings over the last three weeks.

However, Mr Howard also appeared more conciliatory on the principle of the directive than he has done before. He said: "The task now is to ensure that the text does not impose crippling costs and inflexibilities, particularly by way of provisions on the 48 hour week." That is the first time he has appeared ready to accept the directive albeit in different form.

The debate – the first on this measure at ministerial level – was also characterised by another clash between Mr Howard and Ms Vasso Papandreou, the EC social affairs commissioner, who castigated him for ignoring the views of trade unions on working time.

Mr Howard said afterwards: "It's clear that we are some considerable way from a position in which sufficient agreement can be reached to enable a vote to be taken."

The deferral could hold up serious discussion of the measure until 1993.

The Dutch – acutely aware of British sensitivities on social policy ahead of next week's summit – yesterday ruled out another ministerial meeting before the end of the year.

Had ministers rallied against Britain, Mr Howard could have been overruled because the directive has been tabled as a health and safety measure, which requires only a qualified majority in order to be approved.

That is one of Britain's principal objections to the directive. Mr Howard suggested yesterday that the directive could be altered to include a clause obliging employers to carry out an assessment of the health and safety of workers who they believed were at risk from working excessive hours.

Finance ministers confirm Emu accords

By David Buchan in Brussels

EC finance ministers yesterday agreed a series of political understandings on provisions in the monetary union portion of the proposed Maastricht treaty.

Some accords were foreshadowed in the talks which finance ministers have been holding since Saturday night, but they were yesterday confirmed.

Mr Wim Kok, the Dutch finance minister presiding over the negotiation, hopes to greatly reduce the number of outstanding issues that have to be settled by EC leaders next week.

This week's agreements cover:

● The European Monetary Institute, the body which will co-ordinate national monetary policies during the run-up to Emu.

The EMI's board will consist of the Twelve's national central bank governors, who will appoint one of their number to be vice-president. The EMI's president will be nominated by the governors but appointed by EC heads of government, for a three-year term.

This represents a compromise between France, which wants the EMI to be more than just the present central bank governors' committee by another name, and Germany which wants minimum institutional change during the transition to Emu.

Any state can, during the transitional phase, give the EMI some or all of its foreign reserves to manage, but Mr Theo Waigel got an assurance that the EMI would only operate in the market in close consultation with national central banks.

● The European Central Bank, which would have two boards: a governing board of countries participating in Emu, and a general board with all 12 EC states represented.

● Disciplinary sanctions against Emu-participating countries which run excessive deficits. The list of sanctions is more or less agreed, covering a spectrum starting with public warnings and cautions in borrowing prospectuses of overspending states, through to loss of loans from the European Investment Bank and a requirement for non-interesting bearing deposits with the EC, or straight fines.

● At UK insistence, the Twelve will get a slight breathing space in making their national central banks independent of their governments. The process will now have at least until 1997.

● Ecu note design. At UK insistence, the European Central Bank "shall respect as far as possible existing practices regarding the issuing and design of bank notes".

COUNTDOWN TO MAASTRICHT

Eurocrats get down to the donkey work

By David Gardner in Brussels

THE UK may be having trouble with its European partners over let-out clauses on monetary union, escape clauses on a common foreign policy and "we don't want a bit of it" clauses on social policy. But the donkey clause is in the bag.

If those moos and miaouws sound faintly federalist this morning, it is because of yesterday's signal British victory in getting animal welfare appended to the political union treaty the 12 are supposed to agree at Maastricht next week.

The donkey clause, as it instantly became known, will state that the EC and its member states should ensure that common policies on agriculture, transport, research and the internal market take the well-being of animals into account.

National festivals will be covered by this new dispensation. British officials coyly revealed, in a way which could have deleterious effects on some forms of competition. Certain British newspapers, for instance, will no longer have reason to organise competing posses to rescue Spanish donkeys.

Though some Mediterranean countries objected to this British desire to get the EC to intrude into the "nooks and crannies of [their] national life" - and the magic word "subsidiarity" was mentioned - it was eventually agreed that animals, too, had to have a stake in political union, to help counterbalance the rigorous effects of a single currency.

It was not clear yesterday whether the new Negative Assent Procedure being considered for the European parliament would also be applicable to animals, but constitutional experts said that probably a grunt would do.

American businesses fear social legislation

By David Goodhart, Labour Editor

GOVERNMENT and business in the US are being complacent about the effects of the EC's social dimension on American business in Europe, according to a group run by Mr Bill Brock, the former US trade representative.

The Brock Group report says that while some aspects of EC-wide social legislation are inevitable, and even welcome, American businesses in Europe "view with concern" new legislative proposals in key areas, particularly worker participation, organisation of working time, and part-time work.

The report also expresses the anxiety that measures granted to employees in Europe – such as works councils for consultation – may be difficult to resist at home. Further, the EC Social Charter may emerge as the model for a North American Social Charter in the negotiations over a North American Free Trade Agreement.

The Brock Group believes that an over-regulated Europe will become a less attractive location for investment. Already, it states, many European countries are accustomed to more regulated employment and labour relations than the US, with more comprehensive social benefits.

The group also fears that some aspects of EC social legislation may conflict with US law. The information which it is proposed should be available to employee representatives on works councils could cause problems for US companies bound by the Securities and Exchange Commission regulations on disclosure of business information.

Ukraine's premier, Mr Vitold Fokin, at a meeting in Moscow yesterday on the Soviet economy

Four paragraphs speak volumes for US Soviet policy

By Lionel Barber in Washington

THERE WAS no official announcement, no ringing declaration, no historic payment of tribute; but this week marked the start of a new US policy toward the former Soviet Union and the end of President George Bush's long and largely fruitful relationship with President Mikhail Gorbachev.

If there was a clue to the shift in Washington's position, it came during the regular morning White House briefing on Monday, shortly after the news that Ukrainians had voted by a nine-to-one majority in favour of independence.

The White House welcomed the free and fair vote as a "striking testimony to the will for liberty" and announced that Mr James Baker, US secretary of state, would visit Ukraine later this month.

Among several issues, Mr Baker would discuss the future of nuclear weapons on Ukrainian soil.

President Gorbachev and his hopes of preserving some form of economic union merited a single sentence in the four paragraph statement.

During his visit, Mr Baker will hold talks with Mr Gorbachev in Moscow, but the new focus of US policy will be on the relationship between the republics as independent power centres – not, as in the past, the relationship between the republics and the central authorities in Moscow.

The critical relationship is between Russia and Ukraine, both nuclear powers. The administration still believes its influence to shape future events is marginal; but by using diplomatic pressure and, perhaps, holding out the prospect of western aid, it hopes to persuade Russia's President Boris Yeltsin and Ukraine's President Leonid Kravchuk to co-operate on keeping the peace in the former Soviet Union.

This amounts to a quantum leap in US thinking. Just three years ago, General Brent Scowcroft, the president's national security adviser, was letting it be known that an independent, nuclear-armed Ukraine posed one of the greatest potential threats to stability in Europe. Just four months ago, Mr Bush himself visited Kiev and warned against the danger of "suicidal nationalism".

After the Kremlin coup last August, several Soviet experts in the administration warned the White House that Mr Gorbachev's hopes of preserving a union were doomed and that the Ukraine would vote for independence. At the same time, an increasingly assertive Russian leadership made Mr Gorbachev appear redundant. In the words of one western official: "The last few weeks have all been about finding a way of persuading the president to dump Gorby."

In fact, nothing much needs to be said or done in Washington, because the shift in power is taking place with accelerating speed in Moscow. The Ukraine vote and Russia's assumption of the Soviet payroll removes any lingering doubts about the dissolution of the centre, said one US official.

However, the disintegration of the central authority and the union still poses tricky questions for the US. For example, what will become of the Soviet permanent seat at the UN Security Council?

Bonn plans new rules on asylum

By Quentin Peel in Bonn

THE German government yesterday proposed new regulations for processing applications for political asylum, including accelerated legal hearings and a ban on appeals against judicial decisions.

The draft legislation drawn up by the ministries of justice and the interior was published alongside figures showing that asylum applications in October totalled 29,185, down on the 33,570 in September, but still the second highest monthly figure this year.

The largest number, 12,378, came from Yugoslavia, followed by 3,824 from Romania, and 2,452 from Turkey.

Mr Rudolf Seiters, newly-appointed interior minister, has submitted the draft legislation to the leaders of all main political parties, as well as state governments, which will have to implement much of it.

He is proposing that all applications for immigration which clearly do not qualify for political asylum should be processed within six weeks, and the rejected applicants should be speedily deported. At present the asylum figures are swollen by would-be economic immigrants, forced to apply for asylum by the absence of any German immigration procedure for those who cannot prove German ancestry.

The 16 states will be responsible for lodging asylum applicants in camps. Distribution of the camps is likely to be a source of dispute.

Another seems certain to be the suggestion that there should be no right of appeal, especially since more decisions will in future be taken by a single judge.

The proposals confirm that Chancellor Helmut Kohl's Christian Democrats have shelved their demand for a change in the constitution to restrict the right of asylum. Both Free Democrats and Social Democrats opposed this.

Yugoslav army lifts blockade of some ports

By Laura Silber in Belgrade

MR Cyrus Vance, the UN special envoy, yesterday visited Osijek, besieged capital of eastern Croatia, as the federal army lifted its blockades of some Croatian ports.

Tanjug, the Yugoslav news agency, said the army had lifted all blockades, except for Dubrovnik, the medieval port under siege for 63 days.

The army's lifting of the naval blockades, Croatia's lifting of its blockades on federal army barracks in the republic, and the army's withdrawal from Croatia, are the main elements to the latest ceasefire, the 14th, but the first to be brokered by the UN.

However, the continuing fighting between Croats, and the army and Serb paramilitary units could jeopardise attempts by the UN to send a peace-keeping force to Croatia.

Croatian radio yesterday reported overnight attacks on Lijevi Stesanki, a village 18 miles south of Zagreb, the Croatian capital. It said Serb fighters shelled Podravska Slatina, near Croatia's border with Hungary.

Mr Vance's visit to Osijek, which had a peacetime population of 150,000, of which two-thirds are Serb, is intended as a warning to the Serb-dominated army that the international community will not allow Osijek to share the fate of Vukovar, 20 miles to south, which was destroyed by the army and Serb paramilitaries.

Mr Branko Kostic, the vice president of the rump [Serb-controlled] federal presidency, said yesterday practically all territories where Serbs live in the majority had been liberated, and they did not intend to take Croatian cities like Osijek and Vinkovci.

Magistrates strike in protest at Cossiga

By Robert Graham in Rome

ITALIAN magistrates yesterday staged a one-day strike to protest at what they see as political interference by President Francesco Cossiga.

It was the first time the judiciary had organised a strike against an Italian head of state and the stoppage came despite an appeal to all the country's 6,800 magistrates. Only emergency services operated in a limited number of courts.

The magistrates announced their intention to strike after a row over President Cossiga's role as the nation's chief titular magistrate. Mr Cossiga had sought to use his powers as head of the superior magistrates' council (CSM), the magistrates' governing body, to determine the timing and agenda of their meetings.

Mr Cossiga has claimed that young leftist magistrates have carried out politically-motivated investigations.

● Italy's annual inflation rate edged up to 6.2 per cent in November after falling in four consecutive months from a high of 6.9 per cent in June. The government has predicted it will end the year with an annual rate of 6.2 per cent.

The Financial Times (Europe) Ltd
Published by The Financial Times (Europe) Ltd., Frankfurt Branch, Nibelungenplatz 3, 6000 Frankfurt-am-Main 1; Telephone 49 69 156850; Fax 49 69 5964481; Telex 416193. Represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: DVM GmbH-Hürriyet International, 6078 Neu-Isenberg 4, Frankfurt. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1991.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

هكذامن الأحمل

EUROPEAN NEWS

Brussels backs TNT courier joint venture

THE European Commission yesterday confirmed its approval of a joint venture between TNT, the Australia-based transportation company, and GD Net, representing the national post offices of Sweden, Germany, France, the Netherlands and Canada, AP reports from Brussels.

The Commission said initially it was concerned that the venture to form an international courier and express-parcel business could have led to a dominant position in the Community. But it cleared the agreement after the parties agreed to amendments.

The venture will be the third biggest international express business in the world and the second largest in the EC.

The Commission said it was concerned that the venture could benefit from privileges given only to postal administrations, which would give it a competitive advantage.

But it said amendments to the agreement meant the venture would compete on an equal footing.

The Commission's main worry was the five-year exclusive access for the joint venture company to all postal outlets of the five post offices. That "would have provided. . . the company with access to a commercially attractive group of customers. . . which would become available to other private operators only by establishing a separate network," it said.

The companies agreed to reduce the period to two years following the transfer of the post offices' international express operations to the joint venture. They also agreed the scope of the exclusivity would cover only outlets currently providing international express operations, the Commission said.

To help maintain fair competition, the post offices agreed that subcontracted services such as pick-up, delivery and sales would be available to competitors on the same terms as the joint venture.

The Commission also said the parties agreed that the joint venture would not benefit from legal privileges granted to postal administrations including VAT and customs exemptions and special provisions for air and road operations.

Maastricht decisions vital to decision on EC membership, says prime minister

Finland keeps close watch on the summit

By John Burton

THE DECISIONS taken at next week's Maastricht summit will have important implications not only for European Community members but also for those countries wondering whether to apply to join the club. Among the latter is Finland, whose prime minister, Mr Esko Aho, has reservations about closer EC integration, but is considering membership for his country for fear that it might appear "a second-class member of Europe".

Mr Aho, in a wide-ranging discussion yesterday in London with FT editors, said: "The results of Maastricht are essential for our evaluation [of the EC]. We want to see what kind of union the EC will become."

Finland's main concern is that the summit decisions should leave a "certain room for national decision-making" if it decides to apply to join the EC. Still sensitive about its relations with the rapidly disintegrating Soviet Union, Finland is seeking flexibility for independent decisions in the areas of foreign policy and national security, as well as in some economic areas, including its important forestry industry and agriculture.

Mr Aho does not expect its neutrality to be an insurmountable problem, in that neutral Ireland is already a member and Sweden and Austria, both neutral, are also seeking membership.

But "Finland is in many ways a different country from the rest of Europe," said Mr Aho. "Our geographical position makes our problems different from western Europe, so the mechanism that the EC has for regional policy, for example, does not apply to our needs. We need to have a certain room for independent decisions in order to take into consideration those special features of our economy and society."

In Mr Aho's view, Finland has already achieved many of its economic goals in a single-market Europe through the European Economic Area (EEA) agreement recently concluded between the European Free Trade Association, of which Finland is a member, and the EC.

"The EEA agreement means for us economic membership in the EC. It accounts for 85 per cent of the economic benefits that full EC membership would give. But we are discussing EC membership because we don't want to have the image of being a second-class member of Europe." Such an impression could discourage foreign investment in Finland.

A decision on the issue is probable early next year. "If we decide to join, we want to be in the first wave of enlargement," Mr Aho said.

The prime minister, who had talks with Mr John Major, his UK opposite number, when he was in London, believes his country could become a key transit point for western aid to the Soviet Union this winter thanks to its rail connections with its big eastern neighbour. Finland is hoping to help stabilise the situation in Russia and to foster closer economic links with areas on its borders, including the St Petersburg region, Karelia and Murmansk, as well as the independent Baltic states.

Finnish aid is focusing on the Baltic states, particularly Estonia, with assistance being provided in the areas of environment, communications and education. "We are concentrating on the Baltics because we want to avoid them being shut off to both the Soviet and western markets," he said.

"Finland's position in Europe will change from being a remote country to becoming a gateway to the Baltic if the Soviet Union solves its problems."

But Finland is also wrestling with its own economic problems; the country is in its worst recession since the Second World War.

Mr Esko Aho being congratulated earlier this year after the election which brought him to power

The government last week succeeded in persuading the unions to agree a pay freeze next year and the year after. Agreement was reached after the markka was devalued by 12.3 per cent through its temporary suspension from its link with the Ecu. "This will be the last devaluation of the markka," promised Mr Aho.

Papandreou corruption conviction sought

By Kerin Hope in Athens

THE senior prosecutor of a special court trying former Greek Prime Minister Andreas Papandreou for alleged corruption in office yesterday asked for a conviction on one charge and an acquittal on two others.

Mr Nikos Katsaros, a conservative parliamentarian, said Mr Papandreou had induced directors of state-owned corporations to deposit public funds at the Bank of Crete in 1988, knowing that the bank faced a liquidity crisis.

The bank's ex-owner, Mr George Koskotas, has admitted embezzling funds, claiming Mr Papandreou blackmailed him into bankrolling the ruling Socialist party. The prosecutor said Mr Papandreou should be acquitted on two other charges: accepting a bribe from Mr Koskotas and assisting an Athens hotelier to secure an illegal debt settlement.

Mr Papandreou, who has boycotted the hearings, says the trial is the result of a political conspiracy against him. The two other prosecutors, a conservative and a left-wing deputy, will make their recommendations before the 12-member tribunal of senior judges considers its decision.

NEC delays computer factory in Germany

By Christopher Parkes in Bonn

PLANS by NEC, the Japanese electronics and communications group, to build a European personal computer factory in Germany have been delayed because of marketing mistakes and poor market conditions, the company said yesterday.

Although the favoured location was still München-Garching in Bavaria, a decision on when to build would not now be made before spring, 1993, according to Mr Oskar Waid, vice-president of NEC Deutschland.

The go-ahead for a plant employing up to 500 people had been expected next year.

The company, the leading PC-maker in Japan, had not yet achieved its initial aim of building its continental market bridge-head in Germany.

Machines introduced last spring were too expensive, the trade had been reluctant to take them up, and NEC had underestimated the existing competition, Mr Waid said.

Average German market prices for PCs had fallen 40 per cent this year, he claimed.

NEC, meanwhile, had sold fewer than half its annual target of about 40,000 computers, currently manufactured in Hong Kong and Japan.

Price reductions and company reorganisation in August had produced a sharp increase in orders, and resulted lately in delivery problems.

Monthly sales had risen to between 2,000 and 3,000 machines, and were expected to double in 1992.

Even so, NEC Deutschland expected only a modest increase in turnover in the current 1991/92 financial year, Mr Waid added. Around two-thirds of total 1990/91 sales of DM801m (£281m) compared with DM752m for the previous year, came from printers and monitors.

Market development plans include the introduction next spring of new products, among them lap-top and note-book computers, followed in 1993 by mobile telephones.

● BASF Magnetics, a leading recording tape-maker, and a subsidiary of the BASF chemicals group, is to reduce its German workforce next year by 960. One of its three German factories will close.

The company, which employs 3,600, and also manufactures in France, the US and Indonesia, expects a loss during the current year of at least DM100m on sales of DM1.5bn.

Bonn spy scandals claim top victim

By Quentin Peel in Bonn

THE rumbling scandals surrounding Germany's espionage agencies yesterday claimed their most eminent victim, with the resignation of Mr Lutz Stavenhagen, Chancellor Helmut Kohl's minister directly responsible for the security services.

His demise immediately sparked opposition calls for Mr Gerhard Stoltenberg, the defence minister, to resign for his part in secret deliveries of former East German arms and equipment to Israel.

Last night the government was trying to control any knock-on effect from the scandals, which have been exposed in the chaos and confusion following Germany's unification, and the publication of quantities of files from the former East German secret service.

The accusations against both Mr Stavenhagen, hitherto a rising star in the government, and Mr Stoltenberg, one of the most senior figures in the Christian Democratic Union, are not so much that they did wrong, as that they denied knowledge of activities they should have known about.

Mr Stavenhagen, a minister in the chancellor's office, has been under attack for months over his involvement in the case of Mr Alexander Schalck-Golodowski, the former East German currency dealer and fixer, who turned out to be under the protection of the west German espionage agency, the Bundesnach richtendienst (BND), when he fled the country with a western passport.

The minister first denied any knowledge of the case; then the former head of the BND insisted that he had been told; and finally, last week, the Chancellor's office confirmed he had failed to read the letter he was sent on the subject.

The affair of the arms supplies to Israel, exposed when the Hamburg harbour police found Soviet tanks inside crates labelled as agricultural equipment, simply came as the final straw for Mr Stavenhagen. He pleaded ignorance once again, and was clearly found wanting when it was revealed that the BND was the organisation most concerned.

Mr Stoltenberg must appear today before a parliamentary investigation committee to answer for the involvement of the military in the "technical co-operation" exercise with Israel, in which 14 previous secret shipments are now admitted to have taken place. They included air-to-air missiles, anti-aircraft systems, and assorted Soviet-made military vehicles.

Europe plans action on cross-border crime

By Ronald van de Krol in The Hague

THE European Community is to set up a European police organisation, called Europol, to exchange information on drug trafficking and cross-border crime.

EC ministers responsible for interior and security policy, meeting in The Hague, said Europol would co-ordinate information on other types of organised crime, such as money laundering. Its immediate task will be cross-border drug-related crime.

The ministers' proposal on setting up Europol will be forwarded for approval to EC leaders who meet next week in Maastricht.

The ministers agreed to consider drawing up a list of "safe countries" whose inhabitants are not exposed to political persecution. Asylum-seekers from these countries, which might include the former Soviet satellites in eastern Europe, would stand less chance of being granted resident status.

INTERNATIONAL NEWS

Shamir defiant as further talks set for Moscow

By Hugh Carnegy in Jerusalem and Roger Matthews in Washington

THE US and the Soviet Union sought to maintain the pace of the Middle East peace process yesterday by announcing that the third stage of negotiations dealing with wider regional issues would open in Moscow at foreign minister level at the end of January.

The announcement came on the eve of scheduled bilateral talks between Israel and three Arab delegations in Washington which Israel has said it will not attend.

Mr Yitzhak Shamir, Israel's prime minister, yesterday adopted a defiant stance, proclaiming a government decision to set up a new Jewish settlement in the West Bank and determination to hold on to the occupied territories.

Playing down the row prompted by Jerusalem's decision not attend today's talks with Syrian, Lebanese and joint Jordanian/Palestinian delegations, Mr Shamir said Israeli representatives would be ready to start next Monday instead, as the government had earlier decided. "The peace process will go on," he said.

Preparations for the second stage of the peace process continued in Washington despite the absence of the Israelis.

The Arab delegations arrived in the US during the day, but have not yet indicated whether they are prepared to wait in Washington for Israel to make an appearance.

Mr Shamir confirmed the government had approved establishment of a new army post, to be converted later into a permanent civilian settlement, on a site in the West Bank where two Jewish settlers were shot dead just before the Madrid peace conference in October.

Israel's refusal to halt settlements or consider giving up the occupied territories is regarded by the US and the Arabs as the overwhelming obstacle to progress in the peace talks. Commenting on the fatal shooting of another settler this week, Mr Shamir said "Eretz Israel" – the biblical term for a greater Israel which includes the West Bank and Gaza Strip – would remain in Israeli hands.

"(The shooting) is one of those murderous acts which won't deter us from establishing settlements, expanding them and consolidating them," Mr Shamir said.

The government is braced for a "media nightmare," as Israel Radio called it, in Washington today as a result of its failure to show up. The US, despite refusing to make further conciliatory gestures to Israel, is trying to minimise the propaganda advantage for the Arab delegations.

US-Israeli ties hold key to progress

Roger Matthews, Middle East Editor, on a relationship strained by the peace process

IT HAS taken even less time than pessimists feared for the Middle East peace process to suffer its first serious procedural stumble. And, all too predictably, the initial obstacle has proved to be not the seemingly intractable substance of the conflict between Israel and the Arabs, but the scarcely less sensitive issue of the relationship between Israel and the US.

The extent to which that relationship has already been redefined is symbolised by the delay in opening the Middle East peace talks scheduled for today in Washington.

The Americans will be ready to begin on the date that they originally proposed, together with the three Arab groups from Syria, Lebanon and the joint Jordanian-Palestinian delegation.

The only representatives not to appear will be those from Israel, the country which over the past two decades has relied critically on vigorous US economic, political and military support and which, over the same period, has always pledged to go anywhere at any time for the sake of peace.

Israel's refusal to attend on the date set by Washington underlines the extent to which Mr Yitzhak Shamir, the Israeli prime minister, believes that President George Bush has changed his Middle East allegiances.

It required eight visits to Israel by Mr James Baker, the US secretary of state, to persuade a deeply reluctant Mr Shamir to attend the Madrid peace conference at the end of October. Even then Mr Shamir did so fearing that the US, fresh from its military triumph over Iraq, was planning an agenda somewhat different from that acceptable to Israel.

It took the Madrid conference and the subsequent diplomatic exchanges for the reality to be fully appreciated.

What emerged from Madrid was that all the participants, except of course Israel, wished to move on quickly to the essence of UN resolutions 242 and 338: the core issue of Israel exchanging the land it occupied in 1967 in return for a full peace with its neighbours.

Mr Shamir contends that Israel has already fulfilled its obligations under those two resolutions by returning the Sinai to Egypt in 1982 and has no intention of yielding any more territory.

It is a unique interpretation and one which, not surprisingly, is rejected by the co-sponsors of the peace process, the US and the Soviet Union, and by most of the international community.

Israel's difficulty in sustaining this position, especially in the face of opinion polls within Israel which show a large majority of the population favouring a land-for-peace deal, would become more obvious the moment the substantive bilateral negotiations began.

With each of the Arab delegations demanding the same concessions from Israel, and the prospect of this three-pronged diplomatic assault taking place with US support under the glare of publicity that events in Washington attract, was not an inviting prospect for Mr Shamir.

Even if an Israeli delegation does eventually appear next Monday, it will still seek to restrict any meetings to procedural issues and particularly to deciding to relocate the talks closer to the Middle East.

The Arab delegations already in Washington are left in the happy position of being required to do nothing beyond re-stating their willingness to negotiate peace along the lines of UN resolutions.

Syria is understood to have decided that it will not under any circumstances be the first to pull out of the peace process, the Lebanese will obviously follow the Damascus example, and the new, more reasoned, style of Palestinian leadership on display for the first time in Madrid can but benefit from further world exposure.

Officially, the US insists that it cannot force the parties to the Middle East conflict to make peace if they do not want to.

"We cannot want peace more than parties that are part of this: we cannot want talks more than the parties," Margaret Tutwiler, the state department spokeswoman, said on Monday. However, she also made clear that the US was not making any effort to mollify Mr Shamir.

Any diminution in active US support for Israel has historically been a cause for alarm in Jerusalem. There are today younger members of Mr Shamir's government deeply concerned at the apparently confrontational course set by the prime minister.

They particularly fear that he may have jeopardised US approval for $10bn (£5.6bn) in loan guarantees needed to settle the Soviet Jews and fuelled the movement against foreign aid that appears to be gathering strength in the US.

The wider Arab world will be watching no less closely, especially those more moderate regimes which have staked part of their political capital on assurances from the US that it is committed to a comprehensive Middle East settlement.

To sustain these Arab expectations without losing the confidence of Mr Shamir's government may already have proved an impossible task for President Bush.

The Israeli housing minister, Mr Ariel Sharon, showing the map of variations in the borders of Palestine and Israel from 1917 until 1982 during a press conference held in Geneva yesterday

Forged US $100 bills flood banks in Cairo

By Tony Walker in Cairo

BANK tellers in Egypt are being armed with magnifying glasses to help them detect a wave of forged banknotes that bankers say are the best counterfeit $100 bills yet produced.

One banker quoted a veteran official of the US Federal Reserve as saying that he hoped he would be retired before he was shown counterfeit notes as good as those in Middle East circulation.

So good, in fact, are the latest forgeries, using modern copying techniques – an increasing problem in the US and abroad – that the US Treasury will begin issuing new "counterfeit-proof" banknotes from January 1 in the biggest change to the US currency in more than half a century.

A US Internal Revenue Service official, based in the Middle East, says that while the volume of forged banknotes is tiny compared with the estimated $240bn in circulation worldwide, advances in printing have obliged the authorities to modify the US currency to "stay a step ahead".

The distinctive appearance of the "greenback" notes themselves, with their portraits of American heroes, US monuments and the words "In God We Trust" printed on the back, will be preserved, but a "security thread" will be added to deter counterfeiters. Developed by the US Treasury, the polyester thread will have the note's denomination printed on it – 50s and 100s at first – although this will not be visible to the naked eye.

Another feature will be the words "United States of America" microprinted along the borders that frame portraits on the face of the notes. The tiny print size will prevent distinct copier reproduction. Such a step will certainly be welcome in Middle East banks where the work of even the most experienced tellers has been slowed by the appearance in the past six months or so of what are being described as "super-forgeries".

A senior manager of a large joint venture bank in Cairo said that as a matter of policy his bank was accepting $100 bills only from its regular customers, and even then it was marking the notes with the client's account number to discourage any attempt to pass dud notes. One of the main reasons for these precautions is that the time taken to examine each individual note, while a customer waits, can cause irritating delays in busy branches.

"This is a cash society," said the banker. "It is not unusual for someone to come in and make a cash deposit of $200,000." Bankers have tried various ways to streamline checking of banknotes, but a Japanese machine that was effective against less professional forgeries is useless for this latest batch, which are said to be produced either in Lebanon or in the Far East.

Israel has been mentioned as another possible source. These latest $100 forgeries are said to have first made an appearance in Italy earlier this year where thousands were fed into automatic money change machines, before they were discovered.

Bankers say the most obvious giveway of the forgeries, which replicate the chemically-treated paper used in authentic bills and even the most detailed filagree patterns, are the letters "S", "O" and "C" in the words "The United States of America" on the back of the notes. In the forgeries, the rounded tops of those letters have been flattened, but the difference between the real and the forged is only apparent to the most eagle-eyed tellers.

As one Cairo banker put it: "If you have someone who can quickly detect the fakes, he's worth his weight in gold."

According to the US Treasury, forgeries in 1990 amounted to about $66m in the US of the $70bn in notes produced that year. No reliable statistics are available for forged US notes globally.

Togo premier held by rebels

TOGO'S Prime Minister Joseph Kokou Koffigoh was captured by renegade soldiers in a bloody attack on his residence yesterday which left at least 13 people dead, Reuter reports from Lomé.

Reporters visiting the morgue at the central hospital in the capital following the dawn assault counted 13 bodies, 12 of them soldiers. Both the assailants and 50-60 loyal troops defending the prime minister suffered casualties.

"He is in the hands of the Togolese armed forces and is completely safe," a communiqué on state radio said. A presidential spokesman said Mr Koffigoh was being taken to see strongarm President Gnassingbe Eyadema.

The troops, apparently loyal to President Eyadema, and who seem to be backed by most of the 12,000 armed forces, used tanks, machine guns and small arms in their attack.

The troops had demanded Mr Koffigoh's replacement and big changes in the transitional government installed in August by a national conference. The soldiers, mostly from Gen Eyadema's Kabye tribe, were angered by last week's banning by the interim government of Gen Eyadema's former ruling party, the Rally of the Togolese People, while the Prime Minister was out of the country.

The soldiers have demanded that the ban on Eyadema's party be lifted and that the government be dissolved.

The French government, which has sent 300 troops to neighbouring Benin in preparation for evacuating its 3,000 nationals, said it would do "everything necessary to help restart a dialogue."

The attack occurred the day after Mr Koffigoh issued a 10-point negotiating plan to try to end the standoff with the military. It included a demand that the military withdraw from radio and television stations as well as the capital. The plan called for formation of a broader-based government but ignored the soldiers' demand that the provisional assembly, the High Council of the Republic (HCR), be dissolved.

UK refuses to rule out force on Libya

THE UK foreign office minister, Mr Douglas Hogg, yesterday refused to rule out military action against Libya if Colonel Muammar Gadaffi fails to extradite two intelligence agents suspected of the Lockerbie bombing, AP reports from Tunis.

Mr Hogg , speaking at a news conference after meeting the Tunisian prime minister, Mr Hamed al-Karwi, said: "We hope for a peaceful solution, but I can't give a negative or positive answer whether we'll resort to a military option if these attempts fail."

Mr Hogg said that unspecified "other means of pressure" might be needed to convince Col Gadaffi to turn over the suspects if persuasion did not work. He refused to set a deadline.

Mr Hogg, who on Monday met the Algerian president, Mr Chadli Bendjedid, is trying to win the support of Algeria, Tunisia and Egypt, all neighbours of Libya, in helping to convince Col Gadaffi to hand over the two suspects. The UK minister's visit coincided with the arrival in Tunis of Mr Brahim Bakar, the Libyan minister of interior and justice.

Mr Bakar was received earlier in the day in Algiers by Mr Bendjedid, to whom he transmitted a message from Col Gadaffi, official Algerian sources reported. The contents were not divulged.

Britain and the US allege that the two Libyans carried out the bombing of Pan Am Flight 103 over Lockerbie, Scotland on December 21 1988, that killed 270 people.

France has issued arrest warrants for four other Libyans, including Col Gadaffi's brother-in-law, in connection with the 1989 bombing of a French airliner over Niger that killed 170 people.

Meanwhile, Mr Hogg also said the UK would consider allowing extradition of Tunisian Islamic fundamentalists residing in Britain if proof of their involvement in violence could be established.

Moi challenges opposition

By Michael Holman in Nairobi

THE Kenyan president, Mr Daniel arap Moi, yesterday invited the country's opposition to take advantage of constitutional change and form political parties.

He was speaking at a special conference in Nairobi of the ruling Kanu party which endorsed a proposal to repeal Section 2A of the constitution, which bans opposition.

"From today, everyone is allowed to register their party," Mr Moi told more than 3,000 delegates.

They had earlier overwhelmingly approved Monday's recommendation by Kanu's governing council to introduce multi-party politics to Kenya. Enabling legislation is scheduled to go before parliament by Christmas, but enactment will be a formality.

Mr Moi, looking relaxed and confident despite the domestic and international pressure that forced him to end more than two decades of one-party rule, gave no hint of when a general election will be held.

But his combination of exhortations and jokes, which were enthusiastically received by the audience, had the ring of a campaign speech by a leader preparing the way for an early poll.

"Let them [opposition parties] go and get the mandate from the people – they will get zero," he said amid cheers.

But he acknowledged that there was dissent within Kanu's own ranks when he said: "Some of us have joined the opposition, and getting them out is difficult."

Opposition leaders were meeting yesterday in an effort to find common ground in their strategy.

They are expected to call on the government to consult them about an election date, demand international monitoring of any poll, and demand the setting up of an independent election commission.

Female soldiers in desert fatigues on military parade on the 20th anniversary of the founding of the United Arab Emirates. It is the first time a Moslem state on the Arabian peninsula has allowed female troops to parade

New United Nations chief pledges active diplomacy

MR Boutros Boutros Ghali of Egypt, formally appointed yesterday as the new UN secretary general, immediately promised to pursue active preventive diplomacy while promoting democracy and human rights, writes Michael Littlejohns, UN Correspondent, in New York.

Currently his country's deputy prime minister, he will take up the post on January 1 for a five-year term, succeeding Mr Javier Pérez de Cuéllar, who did not seek re-election.

In an address to a crowded General Assembly, which approved the appointment by acclamation, Mr Ghali pledged a vigorous effort to narrow the north-south economic gap.

"Tackling the crippling problem of international debt is central to achieving a healthy world economy," he said.

But while there could be no democracy without development, said Mr Ghali, democracy must not be seen as a "magic potion" and the UN activities to promote it must not become a means to intervene in internal affairs of states.

Mr Ghali, whose age – he was 69 last month – was a point of controversy, has indicated that he plans to serve only one term as secretary general.

INTERNATIONAL NEWS

Japan's lower house agrees to UN troop role

By Stefan Wagstyl in Tokyo

LEADERS of the Japan's ruling Liberal Democratic Party last night breathed a collective sigh of relief when a controversial bill to allow troops to serve in United Nations peace-keeping operations passed through the lower house of the Diet.

However, the government will face a tough time getting the legislation through the upper house. It wants the bill passed into law in time for Japanese servicemen to join UN units which may be sent to Cambodia next year.

The LDP caused a storm last week when, together with the centrist Komei party, it forced the bill through a key committee. The opposition threatened to resort to delaying tactics to prevent the bill's passage but later agreed to allow a vote to be taken in the lower house in return for the promise of a full debate in the upper chamber, where the LDP lacks a majority.

The bill, which passed the lower house by 311 votes to 167, has divided the country. Some Japanese support the government's position that Japan must make a bigger contribution to international affairs including UN activities, while others fear the legislation might infringe the country's pacifist constitution.

At the height of the Gulf War, international criticism of Japan's relative lack of support for the allied effort prompted a swing in opinion in favour of Japan playing a bigger part in world affairs. Even some leaders of the opposition Social Democratic Party, formerly, the socialist party, came out in favour of Japan making a physical as well as a financial contribution to the allied forces.

With the crisis over, however, the cautious are making themselves heard once more. Diet members are getting many calls from constituents expressing their doubts about the bill and also outright opposition to it.

The bill would allow the government to send up to 2,000 troops on UN peace-keeping missions, on the strict condition that arms are used only in self-defence.

Meanwhile, the LDP is considering accepting opposition party demands for the Diet to pass a resolution renouncing war to mark the 50th anniversary of the attack on Pearl Harbour on Saturday.

Some opposition Diet members want the resolution to contain a frank apology to the US and to Asian countries invaded by Japan during the Second World War. They argue that a strong statement would help to answer claims from overseas that Japan has never made a fulsome apology for the war.

But hawks in the LDP dispute the need for such an apology, saying that Japan has already apologised to China and other Asian countries.

UK, China restart HK talks

BRITISH and Chinese officials began three days of talks on Hong Kong affairs yesterday, but neither side expected much progress because of a row over Hong Kong's proposed court of final appeal, writes Angus Foster in Hong Kong.

The talks, which are being held through the joint liaison group overseeing details of Hong Kong's 1997 transfer to Chinese sovereignty, were described as "useful" by one official.

China is angry at calls by Hong Kong political leaders to renegotiate the composition of the court, which was agreed by China and Britain in September. Although Britain and Hong Kong have said the court cannot be renegotiated, China has claimed Britain is acting in secret with Hong Kong politicians to change the agreement.

The dispute is likely to come to a head today when Hong Kong's Legislative Council, the colonial parliament, debates a motion urging the government to renegotiate the court.

Khmer Rouge leader Khieu Samphan leaves a SNC meeting in Pattaya yesterday

Khmer Rouge leaders to return to Cambodia after safety pledge

KHIEU SAMPHAN, the Khmer Rouge leader, is to return to Phnom Penh after the four factions involved in Cambodia's peace process agreed a compromise on guarding the leaders of the guerrilla group, agencies report from Pattaya, Thailand.

Khmer Rouge chiefs including Khieu Samphan, who had been fighting the Vietnamese-installed government for 13 years until October's Paris peace agreement, returned to Phnom Penh for only a few hours last week before being driven out by a mob angry at their genocidal rule during the 1970s.

The factions, meeting yesterday in Pattaya, Thailand, agreed on a compromise under which the Khmer Rouge delegation to the Supreme National Council, the interim body which is to govern the country during a UN-monitored transition period, would be housed in the SNC's compound in Phnom Penh.

The headquarters, a former government guest house, will also be home to some UN officials, diplomats said. This would provide the Khmer Rouge with the moral protection of the UN.

The Khmer Rouge said it would not return unless 800 UN troops were deployed to protect its delegation. However, UN officials said internal security was a Cambodian matter. UN advisers threatened to pull out of Cambodia, possibly scuttling the peace process, if there is another attack on the Khmer Rouge.

Economies of Asia see high growth rates

ASIA'S robust economies outperformed the rest of the world in 1991, posting growth of more than 6 per cent despite the recession in North America, according to a report by the Asian Development Bank (ADB), Reuter reports from Manila.

Exceptions were Bangladesh, India and the Philippines, where growth slowed markedly.

"In contrast to previous world recessions, for instance the 1981-1982 recession, the economic performance of the Asian region has been less affected by the economic slowdown in industrialised countries," the bank said. Though it predicted a slowdown in Japan's growth to 3.3 per cent in 1992, from 4.5 per cent this year, the bank said developing countries of Asia would continue to post strong growth.

The newly industrialised economies of Singapore, Taiwan and South Korea would see average growth fall slightly to 7.3 per cent in 1992, from 7.7 per cent this year, but other south Asian economies would expand faster, with the Indian economy picking up.

Hong Kong should continue to see acceleration in its growth mainly due to strong export demand and a big rise in public investments for infrastructure, the ADB said.

Anniversary of Bhopal gas disaster marked by strike

By K.K. Sharma in New Delhi

WORKERS in the central Indian city of Bhopal staged a general strike yesterday to mark the seventh anniversary of the world's worst industrial disaster when poison gas killed more than 3,000 people and injured another 200,000.

Processions moved through the streets to remind people of the night of December 3, 1984, when deadly methyl isocyanate leaked from a pesticides factory, owned by the Indian subsidiary of the American Union Carbide Corporation (UCC).

Demonstrators burned effigies of UCC's former chairman, Mr Warren Anderson, at more than 20 places across the city.

Some protesters, led by left-wing leaders, gathered outside the factory and demanded that a 500-bed hospital be set up at its site. The factory has remained closed since July 1985.

The local communist leader, Mr Balakrishna Gupta, said that compensation should be disbursed immediately among the victims and relatives of the deceased. As deaths caused by the leak have continued to mount, frequent changes of government in India over the past seven years have politicised the issue, further complicating court actions and compensation claims.

Last week, a Bhopal court opened hearings of a criminal suit against Mr Anderson and eight executives of UCC's Asian subsidiaries.

India's supreme court last month paved the way for the suit when it upheld the $470m (£265.5m) settlement between the Indian government and UCC. Claims by organisations representing victims had amounted to more than eight-times as much.

Six years ago, the government drew up a scheme for cash disbursements to various categories of Bhopal victims and their families.

But continuous litigation left them bereft of any relief except for nominal interim compensation, which they have found totally insufficient.

Payment of the compensation will begin next February after norms are established before 40 special courts being set up in Bhopal.

Between 20 and 30 claims will be heard each day and it may take years before all the victims' compensation claims are processed.

هكذا من الأصل

WORLD TRADE NEWS

EC must back down in agricultural trade impasse says US farm leader

By William Dullforce in Geneva

US FARMERS cannot accept a deal on farm trade reform on the terms so far offered by the European Community, Mr Dean Kleckner, president of the American Farm Bureau Federation (AFBF), said in Geneva yesterday.

He said the US and the EC had to compromise on reductions in farm subsidies in the Uruguay Round trade talks. But the result had to provide for "locked-in cuts in tonnages" of subsidised farm produce on world markets. It also had to ensure that the reductions would continue after the five or six years envisaged.

Mr Kleckner had been voicing US farmers' views to Mr Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, and negotiators from the main farm-exporting countries, as US and EC trade diplomats met in Brussels to seek ways of renewing bilateral dialogue on farm reform. Without a US-EC deal on cuts in farm subsidies the Uruguay Round is unlikely to be completed soon.

There was still a 50-50 chance of a deal, Mr Kleckner said. Pressures on EC governments to cut farm spending were stronger than ever and most European delegations in Geneva had shown a real desire to come to terms.

But if it were left to the European agricultural community and farm ministers, the EC terms would be substantially less than the bottom line to which American farmers could agree. Mr Kleckner confessed to mixed feelings about this week's US-EC meeting in Brussels, organised after intervention by President George Bush and Mr Ruud Lubbers, Dutch prime minister and current EC president. No farm negotiators will be present.

He was happy about the absence of EC farm negotiators but "a little bit worried" that the US side might go further than it should to compromise and make a deal that Congress would not approve.

The AFBF would agree to the lifting of section 22 in the US law, which protects sugar, peanuts, dairy and cotton farmers against imports, only in the context of a multilateral agreement on agriculture in which US farmers received as much as they gave, he said.

Bush ready for concessions on dumping

By Nancy Dunne in Washington

THE US will accept changes in its controversial dumping laws in the Uruguay Round, but in return it would want stronger limits on traders who try to circumvent those laws, a senior trade official said yesterday.

He said the Bush administration had consulted Congress and domestic industry closely and would agree to changes "in the calculation procedures and methodology for determining dumping".

The official said the US would not give up its "Section 301" law which authorises trade retaliation, as many Gatt members have demanded. But he insisted the law could be made to work in conjunction with Gatt if, as expected, the body's dispute settlement mechanism was strengthened and its coverage extended.

No country then would be able to block an unfavourable panel ruling. The US also wants a one-year limit for the injuring party to rectify its abuse. After that period, trade retaliation would be permitted.

Mr Rufus Yerxa, the US ambassador to Gatt, is in Washington this week to meet congressmen, private-sector advisers and inter-agency groups.

He and other trade officials will seek to dispel apprehensions that the US is prepared to cave in on key negotiating aspects.

This week they are contacting members of a restless Congress which is threatening to attach tough provisions to a Uruguay Round package of legislation to force Japan to open its markets.

They will stress that while the US can achieve its basic objectives on agriculture, trade reform, protection of intellectual property rights, rules for services and investment, it must be willing to make concessions as well, including big tariff reductions.

Mr Rubens Ricupero, this year's Gatt chairman (right, with Gatt director general Mr Arthur Dunkel), yesterday warned that world trade growth would decline sharply in 1991 for a third successive year and pointed to the dangers of failure of the Uruguay Round trade talks, writes Frances Williams in Geneva.

Addressing Gatt's two-day annual meeting in Geneva, Mr Ricupero said the final phase of the five-year-old Uruguay Round was taking place against an unpromising economic backdrop. Gatt economists expect the volume growth of world trade this year to be markedly below last year's 5 per cent, itself down from 7 per cent in 1989. With efforts at international economic co-ordination by the big economic powers fragile and unsatisfactory, trade remained the "single most important factor in restoring prosperity, employment and economic growth".

Japanese fearful of regional trade blocs

By Robert Thomson in Tokyo

JAPAN'S Economic Planning Agency (EPA) warned yesterday that the emergence of regional trade agreements could lead to a shrinkage of world trade.

In its annual paper on the world economy, the government agency said the growth of regional trade zones, such as the European Community and the North American Free Trade Agreement, could either enhance or hinder world trade.

"The possibility of raising barriers against countries outside the union cannot be denied. We must be vigilant against such a tendency," the EPA said. The agency suggested that free trade zones would be discouraged from turning into economic blocs if the General Agreement on Tariffs and Trade (Gatt) operated more effectively.

Referring to the Uruguay Round of world trade talks, the EPA gave no indication that Tokyo was ready to concede on sensitive issues such as opening its rice market and dispute settlement procedures.

The agency estimated that there would be a global funds shortage amounting to about \$103bn (£58bn) next year, excluding demand from eastern Europe and the Soviet Union, though the figure is forecast to decline to \$92bn in 1993. It recommends that governments promote personal saving, rationalise financial market functions, and use state funds more efficiently.

Unusually, the EPA suggested, albeit politely, that Washington review defence spending in the light of its budget deficit problems and the changes in the political order: "Given the end of the Cold War and a drastic change in the Soviet political situation, it is necessary to re-examine continuously defence spending, which amounts at present to about a quarter of the total outlays."

The agency said that the promoting of personal saving should be a priority for all governments, and pointed to the "overspending" of US households in the 1980s as a reason for the weak US recovery this year. Excessive US property investment and high corporate debt levels were also cited as long-term restraints on US growth.

The EPA report urged China to broaden its reform programme, and to review the ownership of struggling state industries, accelerate price reforms, improve communication between central and local governments, and enlarge the areas designed to attract foreign investment.

West scrambles for share of Iranian market

Tehran is back in the world trade fold, says **Scheherazade Daneshkhu**

IRAN, once among the pariahs of the world trading community, is today being wooed by exporters with embarrassing enthusiasm.

A combination of more pragmatic policies by President Ali Akbar Hashemi Rafsanjani, and a long shopping list of infrastructure spending needs following its eight-year war with Iraq, has led to a surge in business deals.

British and US exporters are straining to join the fray now the hostage crisis is close to resolution and the the Iraqi market has been lost because of a trade embargo. They are being joined by leading contract exporters from China, Brazil and South Korea.

On Monday, the US paid Iran \$260m (£147m) in compensation for undelivered US weapons paid for by the Shah before his fall in 1979. A further \$18m was transferred into the so-called Security Account in the Hague which pays off claims against Iran arbitrated at the Iran-US Claims Tribunal. It is a fraction of what Iran is owed but Tehran seems willing to compromise in the face of US goodwill.

US exports to Iran have risen from nil in 1988-89 to \$166m in 1990 and \$273m in the first six months of this year, despite an official trade embargo.

A two-man delegation from the UK's export credit agency, the ECGD, returned last week from Tehran after a "constructive" visit to try to settle an estimated £200m debt to British exporters dating from the Shah's era. British exporters have been hampered by the ECGD's willingness to provide only short-term cover, in contrast to Iran's main European trading partners, Germany and Italy.

Iran imported an unprecedented \$22bn in goods in the year to March 1990, according to Mr Mohsen Nurbakhsh, minister of economy and finance.

Mr Nurbakhsh expects imports to be lower this year at \$16bn, partly because last year's import bill will have included commitments of two or more years. Oil revenues are expected to total about \$17bn, with a possible \$2bn in non-oil exports.

Food imports of \$2.5bn, which accounted for almost a third of all imports at the height of the Iran-Iraq war, now represent a much smaller fraction. Instead, Iran has embarked on a reconstruction programme to overhaul its own strategic industries, such as oil and telecommunications.

Germany is Iran's main trading partner and its exports have been assisted by lifting a DM500m (£175m) ceiling on medium-term cover by Hermes, the state export insurance agency, this year. Exports to Iran totalled \$2.5bn in 1990 and are set to increase this year.

Iran has evolved a pragmatic attitude towards foreign loans, previously deemed anti-Islamic, and has agreed on a number of credit lines tied to specific projects. Deutsche Bank is leading a syndicate of German banks to provide DM510m for the Bandar Khomeini petrochemical complex. The loan is part of a 1990 \$2.2bn financing package being led by France's Société Générale in an agreement with Iran's National Petrochemicals Company.

Rafsanjani: pragmatic

Italy's state medium-term lending agency, Mediocredito Centrale, put together a \$1bn credit line this year in an agreement with Iran's Bank Markazi (central bank) to provide equipment, services and industrial plants. Italian companies are already heavily involved in the steel, petrochemical and refinery sectors despite negotiations on outstanding Iranian debt. Italy's TPL is leading an international consortium to develop the South Pars gas field at an estimated \$2bn, which will be financed by international banks, with repayment made in condensates from the fields.

Japan's Petroleum Exploration Company (Japex) agreed in September to invest \$1.6bn as its part in the joint development of an offshore oil field with Iran's National Iranian Oil Company. It will receive payment in crude oil.

France and Iran are nearing the resolution of a longstanding financial dispute, which has not prevented France exporting FFr2.26bn (£230m) in 1990. France's Technip has, however, lost a FFr1bn contract to rebuild a gas fractioning plant at the Bandar Khomeini petrochemical complex.

A consortium of 14 Brazilian companies has won a contract to build 100,000 houses and Brazil is bidding for three large contracts.

Fed has 'scope' to lower rates

By Michael Prowse in Washington

THE Federal Reserve has "ample scope" to cut interest rates further without increasing inflation, Mr Michael Boskin, the White House chief economist, said yesterday.

His remarks followed official figures showing that the US composite index of leading indicators had failed to rise significantly for a third successive month.

The flat trend for leading indicators – used to predict economic turning points – suggests the economy will stay sluggish well into the New Year. The news, however, was tempered by better-than-expected figures for home sales.

Mr Boskin conceded that the recovery had been disappointing and that growth was likely to remain sluggish for the next few months. However, he forecast an economic pick-up after the first quarter of next year as past cuts in interest rates began to stimulate demand.

The Commerce Department said the index of leading indicators rose 0.1 per cent in October. This followed a 0.1 decline in September and no change in August. The index of coincident indicators, measuring the current state of the economy, fell 0.2 per cent in October, another sign that economic conditions are deteriorating.

The flat trend for leading indicators reflected divergent movements of the index's 11 components. Orders for plant and equipment and four other components rose, while five components – led by consumer expectations – registered declines.

The leading indicators began to rise in February, accurately predicting the economic recovery beginning in the second quarter, before peaking in July, shortly before the economy stagnated.

Home sales figures yesterday indicated the housing sector may be more resilient than analysts had feared. New home sales rose 2.2 per cent between September and October to a seasonally adjusted annual rate of 513,000 – 10 per cent up on the same period last year.

Previous figures were revised up substantially. Sales fell only 4.9 per cent between August and September, not 12.9 per cent as initially announced.

Home sales hit a trough of 414,000 at an annual rate in January and have risen in seven out of the past nine months. C. J. Lawrence, a New York broker, said the figures showed that lower interest rates were "keeping the housing recovery alive".

Sununu under fire from Bush's son

THE future of Mr John Sununu as White House chief of staff remained in doubt yesterday amid fresh signs of Republican pressure for his removal, Lionel Barber writes from Washington.

With speculation growing that President George Bush may be close to announcing a shake-up among his senior staff, it emerged that his eldest son had told Mr Sununu his job was in jeopardy.

Mr George Bush Jr told Mr Sununu last week he had lost the confidence of several members of the cabinet, alienated many White House staff and damaged his base in the Republican party. President Bush himself held talks with Mr Sununu about his future last Sunday at the White House.

At the same time, the president conferred with Mr James Baker, secretary of state and his closest political adviser, at Camp David over the weekend. Mr Baker is understood to be unhappy about the lack of cohesion on domestic policy and the infighting at the White House.

Mr Sununu's critics suggested yesterday that Mr Bush Jr's message was intended as a polite way of pushing the White House chief of staff toward resignation and paving the way for Mr Samuel Skinner, transportation secretary, to take over. But other officials said he was still reluctant to sack Mr Sununu.

In the absence of action, Mr Sununu has mounted a furious lobbying effort to save his job, calling Republican members of Congress and complaining that "the noose is tightening around my neck, and I need your help". Yesterday, two prominent conservatives, Congressmen Henry Hyde and Vin Weber, expressed support.

Insiders expect Mr Bush to announce the composition of his re-election campaign team soon, with Mr Robert Mosbacher, commerce secretary, widely expected to be named campaign chairman. Other prominent members include Mr Charles Black, a Republican political consultant, Mr Robert Teeter, the president's pollster, and Mr Fred Malek, a long-time Republican operative.

Several potential members of the campaign team are said to be reluctant to sign up unless the imperious chief of staff goes, adding to the pressure on him to resign.

Sarita Kendall reports on Colombia's growing poppy triangle

Drug lords turn to heroin

A Colombian soldier guards sacks of seized marijuana waiting to be burnt

ON THE MISTY slopes of the Andean cordilleras, the red, white, purple and pink poppies signal Colombia's newest and most profitable illicit product. "In the '70s we had the marijuana boom, and in the '80s cocaine. For the '90s it's going to be heroin," warns a Colombian drug expert.

Isolated patches of poppies had been spotted as long as 10 years ago, but it is only in the last few months that the police have discovered big plantations. South-west of Bogotá, a poppy triangle has emerged along the mountainous borders of the department of Cauca, Huila and Tolima. Since August narcotics police have destroyed over 1,000 hectares of poppy fields in this area alone – enough to produce a ton of heroin.

The cool, moist climate above 2,000 metres is ideal for poppy growing. The Colombian drugs gangs already operate extensive transport and distribution networks for cocaine and marijuana, but they can make between 20 and 40 times more for a kilo of heroin than for a kilo of cocaine. Even raw opium is worth almost twice as much as cocaine in Bogotá.

From the farming to the distribution stage, police say the methods used betray the expertise of well-established drug organisations, especially Cali-based groups. Poppy seeds are delivered to the peasant farmer, who is given technical advice and the promise of a good price for crops. At least two, sometimes three, crops can be planted each year, and the first harvest gives the farmer his own poppy seeds.

A few days after the flower petals have fallen, the morphine content of the swelling poppy bulb is at its greatest. Then the bulbs are scored with long, light cuts in the late afternoon or early morning. The milky gum oozes out of the cuts and is collected later by workers, who earn three times as much as they would picking coffee further down the mountainside.

A hectare of poppies yields about 10 kilos of opium gum, and the gum sells for $1,200 to $2,200 (£1,240) a kilo. It is a high-value, low-bulk product with a guaranteed market, any farmer's dream. The tell-tale signs of a bonanza – peasants on spending sprees, and scarce labour – are already evident in the south-west.

While the poppies are sometimes camouflaged by maize stalks, the low cloud and inaccessibility of the high cordilleras provide the best cover. Agronomists in the region say vegetation along the mountain tops is being destroyed, leaving valley heads and watersheds exposed. Although spraying has proved effective against marijuana on the north coast, it could raise protests from ecologists in the Andean areas.

Several morphine laboratories have been found in the city of Neiva, east of the poppy triangle. One contained acetic anhydride, the key chemical needed for the next step when morphine is turned into heroin. But foreign experts believe most of the opium is being processed abroad, and Colombian heroin-making is still in the experimental stage.

The process of turning opium into morphine and then heroin is far more complex than making cocaine from coca leaves, and skilled foreign chemists have been brought in.

Heroin seized in Bogotá has been variable in quality so far, but samples captured in the US and said to be Colombian are extremely pure – suitable for heroin users who have shifted from injecting to sniffing.

The police say the trafficking patterns are still unclear, though it seems likely that Colombia's drug organisations are aiming for the growing European and US markets. A kilo of heroin sells wholesale for about $150,000 in the US. Small amounts can earn big profits, so the individual courier – who had been replaced by bulk shipments of other drugs on boats and aircraft – once again becomes an important participant. Because the Colombians command such far-reaching cocaine distribution systems, they are disturbingly well placed to reach new users abroad and at home.

Estimates of the area planted with poppies range from 3,000 to 25,000 hectares. But whatever the actual figure, the authorities agree that poppy growing is already widespread, and that drug-related violence is likely to intensify. Whereas the low price now paid for coca leaves makes it possible for legal crop substitution to succeed in a few cases, opium is far too lucrative for this strategy to work.

The military also point out that poppy areas coincide with guerrilla territory: rebels are apparently taxing growers in exchange for protection.

More than 50 tonnes of cocaine has been captured in Colombia this year, yet cocaine prices have not risen and supplies do not seem to have been affected. Pressed and packaged marijuana has also been discovered in recent months, suggesting a resurgence of production. As the drug gangs diversify into heroin making, they have even more at stake – and so has Colombia.

UK and Argentina to discuss Falklands oil

By John Barham in Buenos Aires

THE first negotiations between Britain and Argentina over possible co-operation in managing potential oil resources around the Falkland Islands start in London today.

Last month Britain announced it would allow the Falklands government to issue licences to companies to carry out seismic surveys in its territorial waters, while agreeing to talks with Buenos Aires over co-operation.

"These are only talks about talks and about establishing an agenda for further negotiations in Buenos Aires next month," a British official said. Today's discussion will be held in parallel with fishery talks.

Argentina is expected to press for a bilateral oil regime that would allow Argentine-owned companies or Argentine-based multinational oil companies to operate in Falklands waters. Occidental, the US oil company, is already exploring for oil in Argentine waters off Tierra del Fuego, to the west of the Falklands.

But the Falklands government has strongly resisted Argentine attempts at rapprochement since the 1982 conflict over the islands with Britain. Despite its defeat, Argentina still claims sovereignty over the Falklands and other British-held islands in the south Atlantic whose continental shelves are rumoured to contain valuable oil reserves.

In the last 18 months, Britain and Argentina have established full diplomatic relations, relaxed military restrictions around the Falklands and established limited co-operation over managing the region's rich fish stocks.

Argentina hopes increasing collaboration with Britain in regulating fishing, flights and possibly hydrocarbon production will eventually force London to begin negotiating on sovereignty, which it has so far refused to contemplate.

Brazil celebrates fall in November inflation rate

By Christina Lamb in Rio de Janeiro

BRAZILIAN Economy Ministry officials were celebrating yesterday as the monthly inflation rate fell for the first time in seven months .

Inflation between October 27 and November 22 was 26.4 per cent, compared with 27.3 per cent for October, according to São Paulo university's FIPE index. FIPE estimates inflation for November at 26 per cent – well below earlier expectations of 30 per cent.

The downturn is small, but government officials say it is the first time in recent years that inflation has been reduced without a price freeze. They claim tight monetary policy is finally taking effect.

The news follows a plea by President Fernando Collor for people to leave their Christmas shopping until December 24 to force business to cut prices.

The government's policy of high real interest rates – currently at 36 per cent a month – has almost brought the economy to a halt. According to figures just published, 5,871 companies in São Paulo have gone bankrupt so far this year – more than in the whole of the last two years combined.

UK NEWS

UK rejects Brussels plan on sex equality

By Diane Summers, Labour Staff

THE government yesterday rejected a European Commission plan under which member countries are supposed to draw up and monitor national programmes on sex equality.

The rejection was met with dismay by the Equal Opportunities Commission and EC officials. Ms Christine Crawley, who chairs the European Parliament's women's rights committee, accused the government of failing to back its words on equality with action.

Mr John Major, the prime minister, recently launched the business-backed Opportunity 2000 campaign which aims to improve the position of women in the workforce.

"If this is the follow-up to Opportunity 2000, it is opportunism 2000," Ms Crawley said.

The emphasis of Opportunity 2000 is on practical goal setting and monitoring of progress by participating organisations. Most government departments, as well as over 60 companies, have now signed up.

The government's rejection of a national sex equality plan came at the UK launch of an EC-wide "action programme" on equal opportunities which is due to run until 1995.

Mrs Virginia Bottomley, health minister and vice chair of the ministerial group on women, said at the launch yesterday that the government "supported the overall aims" of the EC plan, but favoured a "flexible and voluntary approach". It would be "counter-productive to lay down rigid requirements" which could end up detering employers from recruiting and promoting women, she said.

The EC action programme "invites" member states to adopt national, regional and local equality plans, and to "draw up assessment reports" on sex equality measures. The European Commission will assess the progress of member countries in an interim report in 1993.

An EC official said yesterday "structured monitoring" of equal opportunities by individual member countries was essential if the effects of the action programme were to be evaluated properly.

The EOC said it was for the government to set the overall framework action on equal opportunities. This did not have to be rigid, but could provide a "firm backbone" for policies. The EOC said it hoped that Mrs Bottomley and the ministerial group on women would change their minds on the issue.

The European Commission's priorities for its programme are: the application and development of the legal framework for sex equality within member countries; the promotion of the integration of women within the workforce; and the improvement of the status of women in society.

● Sixteen per cent of industrial workers in Britain work nights compared with 11 per cent in the rest of Europe and more than 300,000 British workers work over 60 hours a week, according to the Low Pay Unit. The Unit urged Europe's labour ministers to accept the EC directive on working time.

Channel fog hides Labour's ship of state

Ivo Dawnay on the opposition's dismay as the voters turn their attention to Europe

LIKE a blanket of dense Channel fog, the preliminary skirmishing that has signalled the government's imminent engagement at the Maastricht summit has left the good ship HMS Opposition becalmed in a sea of media indifference.

As Captain Kinnock paces the decks, his frustrated crew must bide their time polishing grappling hooks and conserving their grapeshot for the moment Mr Major sails back to home shores.

Whether the prime minister's return will be as a conquering hero or as a humiliated subordinate of the continental powers remains an unknown. Some say it barely matters.

"It is probably best for us if he fails to get an agreement," one opposition frontbencher commented yesterday. "But whatever happens, the important thing is that it all dies out quickly and we can focus the voters back on the domestic agenda of the economy and public services."

Yesterday, the opposition's irritability was almost palpable. In the Commons, Mr Roy Hattersley, the deputy leader, tried, Canute-like, to ignore the tide of Euro-news and kick start a new battle over the health service.

Across the water in Brussels, Mr Kinnock himself was attempting to use a speech to the pre-summit meeting of the Confederation of the Socialist Parties in Europe to stress once again Labour's collaborative posture towards the Community.

But both efforts were more revealing in their lack of political resonance. The edited extracts of Mr Kinnock's address chose to highlight Labour's advocacy of a Social Charter of workers' rights and its indifference to the so-called "opt-out" clause, allowing Britain to hedge its bets on monetary union.

So would Labour negotiators not require such a clause? Probably not. But lost in the doldrums of pre-summit Westminster such questions seem to have little relevance.

Drawing parallels with Mr Major's summer of international diplomacy, party officials reassure enquirers that the slimming of Labour's opinion poll lead to a statistically dubious one or two percentage points is a temporary phenomenum.

But the drift, at a time when the economy appears still to be deep in recession, is causing some disquiet on the backbenches. Few believe, however, that there is much that can be done.

As a measure of their frustration, the party's communications' chiefs were engaged yesterday in skirmishing with the broadcasting media over Labour's right to a seat among the ranks of Euro-commentators, now hogging crucial pre-election airtime.

"A few weeks ago Europe was nowhere on the list of voters' priority issues, now its in third place after health and unemployment," one official lamented yesterday, yet still Labour's much-touted views remain largely unreported or unsolicited despite four set-piece European press conferences in each of the past four weeks.

Tomorrow an opposition debate on the economy will do something to redress the balance. But Labour must also expect almost as much media coverage of the official ousting of Mr David Nellist and Mr Terry Fields, the two hard-left MPs accused of links with Militant, widely-predicted to take place at hearings later this week.

Speculation is mounting that both MPs may declare their determination to fight their seats under independent socialist banners. But then even this not-wholly-welcome reminder of Labour's extremist past might well be equally lost in the mists of Maastricht.

Fogs can have silver linings too.

Liberal Democrats call for 'federal' character

Mr Paddy Ashdown, the UK Liberal Democrat leader, yesterday joined other prominent EC Liberals in calling for a European Union with "federal characteristics" preserving member states' "national identities", writes David Buchan.

In a pre-summit statement, the leaders of the British, German, Dutch, Danish Liberal parties and of the French Radical and Portuguese Social Democrat parties rejected the thrust of any Maastricht treaty which would deal with foreign policy and immigration matters on an inter-governmental basis, rather than under standard Treaty of Rome rules.

Mr Ashdown took the opportunity of his visit to Brussels to serve notice on the European parliament that the UK Liberals will take it to the European Court of Justice for failing to finalise a resolution calling on EC governments to introduce proportional voting in the whole of the Community.

The UK's Liberals have never been represented in the Strasbourg Parliament, since direct elections to that body started in 1979, because of the UK's unique election system. The Liberals will appeal to a Treaty of Rome provision, calling for a uniform electoral procedure for MEPs. Mr Ashdown was confident that John Major would sign at Maastricht but accused him of mishandling the negotiations.

Budget for Channel tunnel station cut to £18m

By Richard Tomkins, Transport Correspondent

BRITISH Rail's budget for building an international railway station for Channel tunnel trains at Ashford, Kent, has been cut to less than an eighth of the £140m originally planned.

The government has told British Rail that it can spend only £18m on the station and has asked the railway to come back with less ambitious proposals.

The station is intended to provide the population of south-east England with a way of joining Channel tunnel trains without having to travel into the centre of London first.

BR had hoped to build a high-profile international gateway which would have provided interchange facilities between Channel tunnel trains and local services from Kent and Sussex.

However, Mr Malcolm Rifkind, transport secretary, said in a written Commons answer yesterday that BR's allocation of funds announced in the government's autumn statement on spending last month had allowed for spending of only £18m on the station.

"I have asked the chairman of British Rail to give serious consideration to the possibility of building a smaller station at Ashford than the one they have proposed," he said.

"I hope it can be in place in time for Ashford to be served by some international passenger trains when scheduled services through the Channel tunnel commence."

In October Eurotunnel, the Channel tunnel operator, tried to embarrass the government into funding the Ashford station plan by drawing up plans for a £4m temporary solution using prefabricated huts.

Mr John Prescott, the opposition's transport secretary, said that the effect of the government's announcement was to turn this plan into reality.

"This cowshed will be the first monument to this Conservative government that Europeans will see when they come through the Channel tunnel," he said.

Retailers report bigger takings on Sunday trade

By John Thornhill and Robert Rice

CUSTOMERS of supermarkets which opened last Sunday spent on average 60 per cent more than typical weekday shoppers, according to a survey.

It estimated that one in 20 British households went grocery shopping on the first Sunday on which many supermarkets and other retailers in England and Wales decided, on a large scale, to ignore the law and open their doors.

The research by Nielsen, based on 7,100 consumers, showed that the average customer spent £13 on Sunday compared with £7.90 on weekdays.

It suggested that Sunday opening had particularly attracted young professional consumers who worked full-time and had children.

The research, however, did not support the view that there had been a fundamental shift in shopping patterns.

Sunday trading accounted for 3 per cent of the week's food purchases compared with 1 per cent in the preceding week.

Past studies have shown that Friday is the most popular day for grocery shopping, accounting for 25.1 per cent of all trips. Saturday follows with 22.1 per cent.

Meanwhile, Marks and Spencer, which is opposed to Sunday trading, announced it was extending its weekday opening hours to compete.

City planners reject redevelopment of site beside St Paul's

By Vanessa Houlder, Property Correspondent

THE controversial site next to St Paul's Cathedral in the City of London is again in doubt after proposals to redevelop the area were sent back to developers.

The Corporation of London's planning committee yesterday sent proposals to rebuild Paternoster Square back to the developers with a list of 22 objections for further negotiations.

Planning difficulties affecting Paternoster Square together with the collapse in the central London property market, may give another lease of life to the bleak, windswept office blocks that were erected on the site after the second world war.

The developers, Paternoster Associates, a partnership between Greycoat, a UK developer, Park Tower Group of New York and an affiliate of Mitsubishi Estate Company, a Tokyo-based developer, declined to comment on the decision until they had considered it further.

The partnership bought the site in November 1989 for £160m from the Venezuelan Organizacion Diego Cisneros.

The rejection of the plans is the latest twist in one of London's most bitterly fought planning debates.

Previous proposals to redevelop the square in a modernist style were dropped after criticisms from the Prince of Wales.

The latest proposals, which were unveiled by the Prince in May this year, included 630,000 sq ft of offices and 80 shops and restaurants set in a traffic free area around a central square.

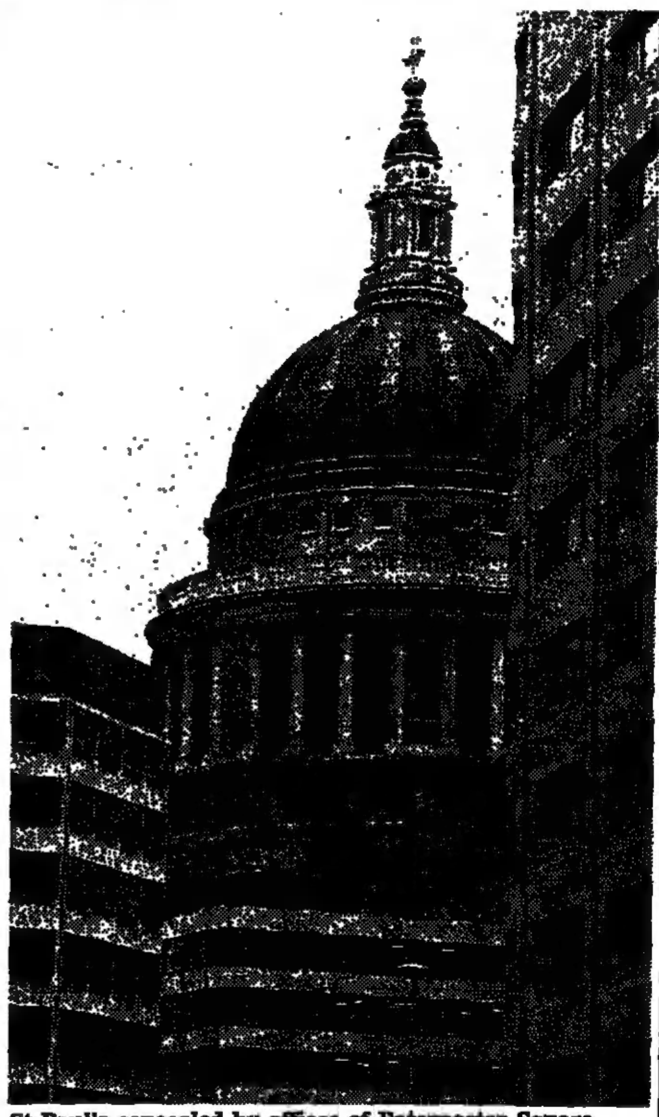
The neo-classical designs attempted to restore much of the medieval pattern of streets and lanes that existed before the war.

The designs, which were put on public exhibition, were warmly received by the public. Gallup, the research company, reported "an exceptionally positive reaction amongst the public to the proposed scheme".

The City planners, who are not able to make judgments about architectural styles, objected to the scheme largely because of the height of three buildings in relation to surrounding buildings and views of St Paul's. The Chapter House, a listed building, would be made to "appear like a doll's house", said Mr Peter Rees, the planning officer.

They were also concerned about the lack of daylight in some buildings and thoroughfares, as a result of the height of the buildings. Mr Rees said it would look like "twentieth century canyons, rather than medieval alleys".

In addition, they regretted the loss of open space, the loss of sports facilities and the emphasis on offices, which would not bring the area to life in evenings and weekends.



St Paul's concealed by offices of Paternoster Square

During the discussion about the scheme, the committee rejected the concern that the developers would be deterred from carrying out the project.

"We must not lower our planning standards because we are going through a temporary lull in the property market," said Mr Rees.

Insurer sees growth within private health

By Alan Pike

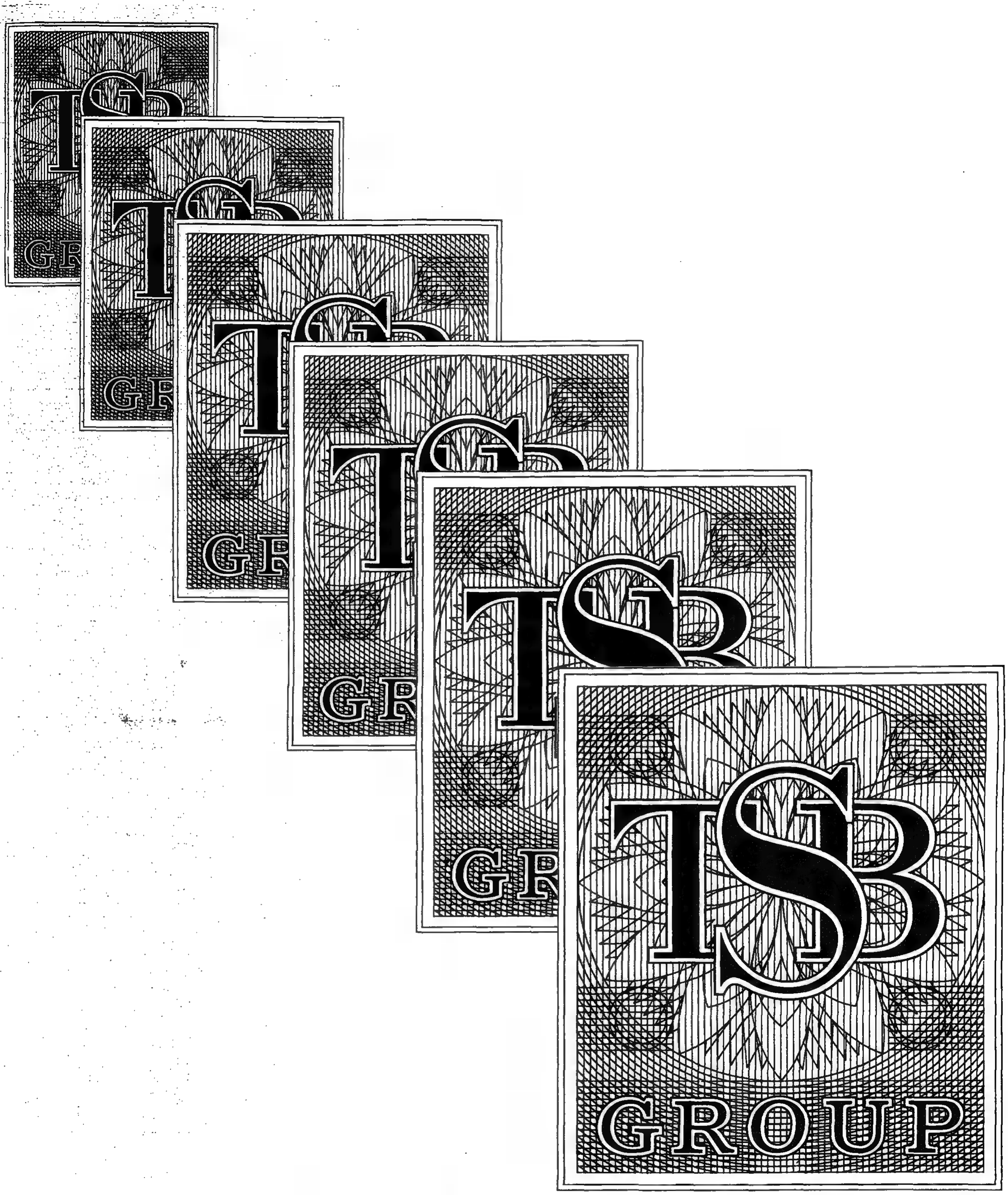
GROWTH in private healthcare will come from pragmatists who want to insure against specific difficulties in the National Health Service, Mr Patrick Smith, managing director of Norwich Union Healthcare, said yesterday.

He said such customers would purchase insurance plans giving access to private treatment if they could not obtain it in the NHS within six weeks since they saw "no point in paying for what is already well provided for free". Addressing such pragmatists with new policies would open up the health insurance market.

Speaking at a FT healthcare conference in London, Mr Smith contrasted the pragmatists with traditionalists, who purchased private health insurance as a "class statement".

Norwich Union entered the private health insurance market last year and is aiming its products at as wide a social group as possible. Mr Smith said the provident associations, which hold about four fifths of the insurance market, suffered from "potential capital starvation" and would have to be financially ingenious to retain anything like their existing market shares.

هكذا من الأصل



FINANCIAL DEPTH.

Right across the financial sector, customers are becoming more demanding.

To answer their demands takes more than banking alone.

We recognised this a long time ago by forming our own insurance business; thus putting ourselves in the forefront of the convergence of banking and insurance services.

Earlier this year, we took a further step by grouping our insurance and banking businesses in two streams behind our two strong brands: TSB and Hill Samuel.

These are being developed within their appropriate markets, and we'll make sure they both have the resources to succeed.

We shall use our financial strength to invest in their development: in training, technology, branch refurbishment and people.

And we won't cut back on investment in their future, because we have one long-term strategy in mind: to build long-term value for our shareholders by providing customer services of the highest quality. In depth.

Banking and beyond.

ASSETS: £27 [illegible] SHARE CAPITAL [illegible] £1.7 billion. CURRENT AND DEPOSIT ACCOUNTS: £21 [illegible] £17 billion. FUNDS [illegible] AND ADVICE: £26 billion.
TSB: TSB [illegible] Banking; TSB Life & Pensions; TSB General Insurance; TSB Unit Trusts; HILL SAMUEL; Hill Samuel Bank; Hill Samuel Financial Services; Hill Samuel Investment Management; Hill [illegible] Private Banking Services. COMMERCIAL: Noble Lowndes; Swan National; [illegible] Property Services; Wescol.

UK NEWS

Art treasures may be listed to restrict exports

By Antony Thorncroft

THE drawing up of a list of art [redacted] which should not [redacted] allowed [redacted] leave [redacted] UK was recommended [redacted] the minister for the arts, Mr Tim Renton, yesterday, by a committee of experts.

However, the [redacted] made clear that they supported [redacted] formation [redacted] list "with reluctance": they would prefer the government to establish [redacted] reserve fund of between £15m - [redacted] a [redacted] be used to retain threatened treasures in the UK.

The minister had [redacted] alarmed [redacted] the number [redacted] important works being sold abroad, notably, in [redacted] past year, the Badminton cabinet and Constable's painting "The Lock".

The current restrictions, the Waverley Rules, implemented by [redacted] reviewing committee on the export of works of art, [redacted] increasingly ineffective at [redacted] rising art prices which encouraged [redacted] send their [redacted] auction.

Mr [redacted] ing committee in July [redacted] up with new proposals, but [redacted] recommendations should take account of "restraints of expenditure".

The [redacted] it is feasible to draw up a list, [redacted] would probably number around 2,000 objects, but [redacted] would have many disadvantages, notably a reduction for [redacted] in the worth of their works of art.

The committee believes that removing the possibility [redacted] a [redacted] to [redacted] buyers could halve [redacted] of many objects. There is no suggestion that owners should be compensated for having their possessions put on the list.

However Mr Jonathan Scott, chairman of the reviewing committee said yesterday: "We are between the devil and the deep blue sea and if there is no extra money available a list is the best option."

The list would operate along[redacted] current Waverley Rules, which temporarily delay the granting of an export licence to allow time for British galleries and [redacted] try [redacted] mount matching bids for [redacted] work [redacted] that the committee considers should stay in the UK.

Mr Renton, who is believed [redacted] a list, [redacted] an additional safeguard yesterday. In a few rare and outstanding cases, the secretary of state for trade and industry can, under emergency powers granted in 1939, refuse an export licence for a work of art. This would only be applied in exceptional circumstances, if undoubted national [redacted] medieval Mappa Mundi, which [redacted] nearly auctioned [redacted] Sotheby's [redacted] years [redacted] involved.

Mr Renton is seeking [redacted] advice from the arts world and will receive submissions until the end of March.

There is [redacted] chance of any legislation [redacted] general [redacted] Another development which could forestall a list would be the introduction [redacted] national state lottery, in which [redacted] sum of money, around £200m, [redacted] allocated to [redacted] and [redacted]

The Three Graces [redacted] a national [redacted] which an export licence was refused – its future is still in doubt

Figures show $418m Bank intervention

By Rachel Johnson

STERLING'S pronounced weakness against the D-Mark forced the Bank of England to spend up to $418m propping up the currency on the foreign exchanges last month, official reserve figures indicated yesterday.

The scale of intervention was twice what [redacted] markets had expected, suggesting that the Bank's activities last month were more strenuous than was reported at the time.

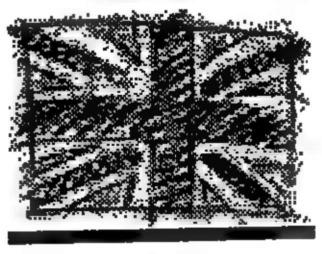
Taking account of $100m of allies' contributions [redacted] the Gulf war the underlying change was a fall of $337m, bringing the end-November total to $43.9bn (£24.9bn).

In November, sterling's fall below DM2.85 to the bottom of the grid of currencies in the European exchange rate mechanism prompted the Bank and other central banks to step in to support the pound, buying the currency and selling D-Marks to prevent sterling sliding to its floor.

Economists pointed out that much of the Bank's buying of sterling was disguised. According to Mr Roger Bootle, UK economist at Greenwell Montagu, the bulk of the Bank's purchases were carried out in the forward markets and would therefore not lower November's reserves.

But set in perspective, the figures confirm that the Bank refused to regard sterling's slide in the ERM as a crisis and were acting accordingly. Last month's intervention was tiny compared with the billions spent monthly keeping the currency down in 1987-88.

BRITAIN IN BRIEF



MPs told of Iraq supergun suspicions

The Ministry of Defence [redacted] told of suspicions that an Iraqi inquiry for steel tubing might be for military use before the order was placed and raised no objections, a House of [redacted] mons inquiry [redacted] the [redacted] gun affair [redacted] told yesterday.

Mr Rex Bayliss, former managing director [redacted] Summers, the Halesowen, West Midlands company, giving evi[redacted] to [redacted] and industry select committee, [redacted] that after studying the initial inquiry from Iraq he thought it looked like a giant peashooter that might be used for launching missiles.

The MoD said it could not comment further on the committee hearing which it described as a DTI [redacted]

Indicators signal recovery

According [redacted] Central Sta[redacted] cyclical indicators [redacted] UK [redacted] turning point in economic activity [redacted] reached [redacted] September. The shorter leading index, which [redacted] turning points [redacted] four months in advance, suggested [redacted] turning point was reached in May 1991. This would support government [redacted] second-half [redacted] However, [redacted] cyclical indicators [redacted] coming under [redacted] giving too much weighting to the anecdotal evi[redacted] of occasionally-upbeat industrial [redacted] economic statistics.

Profits code on tax deductions

Businesses found [redacted] have under-declared profits cannot claim [redacted] on [redacted] fees incurred on that investigation, the Inland Revenue warned.

The announcement came in a revised statement of practice issued after some accountants had appeared confused by [redacted] existing rules.

Tax deductions on accountants' fees related [redacted] the [redacted] nue's investigations will be allowed only if a company has stated [redacted] profits correctly or with very minor inaccuracies, the Revenue said.

Blue Arrow: prosecution [redacted]

County NatWest and Phillips [redacted] Drew's handling [redacted] the [redacted] Arrow rights [redacted] should be judged by a jury, not City regulators, [redacted] trial [redacted] told yesterday.

[redacted] involved "the [redacted] arrogant disregard [redacted] market practice", [redacted] Nicholas Purnell QC, prosecuting, said.

[redacted] was only surpassed by [redacted] suggestion [redacted] should be judged not by a jury, but within [redacted] "cosy [redacted] of [redacted] City's regulatory structure, he [redacted]

County [redacted] NatWest Investment Bank, UBS Phillips & Drew [redacted] five individual [redacted] deny [redacted] buying [redacted] amounted [redacted] conspiracy [redacted] markets [redacted] of [redacted]

Mr John Mathew QC, for County, said the prosecution had not got the proof of its case off the ground, he said. Two of [redacted] original defendants, Mr Stephen [redacted] and Mr Alan Keat, had already [redacted] acquitted. Material misconceptions had [redacted] exposed and [redacted] particulars of [redacted] charges had [redacted] "sensationally" changed. [redacted] trial continues today.

Inmarsat buys London HQ

Inmarsat, [redacted] international [redacted] cooperative, has agreed to buy [redacted] buildings in City [redacted] on the [redacted] edge [redacted] the [redacted] London, for [redacted] The [redacted] sq ft building belonged [redacted] BP Oil, although [redacted] never occupied [redacted]

Inmarsat, which is [redacted] it needs more space, also bought adjacent land with planning permission for 50,000 sq ft [redacted] new building. The land, bought from National Car [redacted] for £3m, [redacted] for future expansion.

Schools inquiry into methods

The education secretary Mr Kenneth Clarke, pictured below, attacked "progressive" teaching methods and announced an inquiry [redacted] teaching in primary schools. [redacted] inquiry report, expected within [redacted] months, will [redacted] training [redacted] announced next [redacted]

Mr Clarke [redacted] that the child-centred teaching methods [redacted] in primary [redacted]

the 1960s had become "an all-[redacted] and [redacted] doxy". They were neither man[redacted] or [redacted] "Current practice hinders concentration; disguises time-wasting, [redacted] real learning [redacted] superficial questioning; and pro[redacted] little useful [redacted] between the [redacted] the individual pupil," Mr [redacted]

Funds short for companies

Small and medium-sized businesses in the north [redacted] England [redacted] there is still [redacted] gap in the availability [redacted] long-term funding for unquoted companies, according to a survey [redacted] 31, [redacted] investment capital group. Of 1,200 companies surveyed 53 per cent said [redacted] shortage of long-term debt and equity capital still [redacted]

Art auction totals £7.24m

Christie's winter auction of important Impressionist and Modern paintings and sculpture on M[redacted]nday night confirmed that [redacted] the [redacted] end [redacted] market is still severe but [redacted] learning to cope with difficult conditions. The auction totalled [redacted] per [redacted] unsold by value. Half the [redacted] on offer found buyers.

Stable future seen for unions

British unions will not follow the American path to "virtual oblivion" and union membership will stabilise [redacted] about 35 per [redacted] of the workforce, according to Professor Richard Freeman [redacted] Harvard University.

Speaking at the Centre for Economic Performance he said that union representation in the UK, about 40 per cent of the workforce, remains at a relatively high historic level and will slip only slightly during the 1990s "to a level comparable to that of Germany.

"British unions have eliminated many of their restrictive practices and British employers do not have the vehement anti-union sentiment of American employers," he said.

Gascoigne may play in Sweden

[redacted] Gascoigne, [redacted] England and Tottenham Hotspur footballer, [redacted] playing first class football [redacted] March. The midfielder damaged [redacted] cruciate [redacted] ligaments [redacted] May's [redacted] Cup final against Nottingham [redacted] has [redacted] played [redacted]

And, although [redacted] to prove [redacted] fitness [redacted] new club [redacted] before May 31 for his £5.5m transfer to go through, his [redacted] are confident he will be back in action by March, according to reports.

That could pave the way for a place in England's European Championship [redacted] squad in Sweden in July.

هكذا من الأصل

BUSINESS AND THE ENVIRONMENT

In the first of a series looking at environmental challenges facing the UK water industry, **Clive Cookson** examines investment in [illegible] clean supply

The thirst must be quenched

The UK water industry has embarked [illegible] a huge environmental clean-up programme, intended to make up for 15 years of under-investment before privatisation and enable Britain to [illegible] stringent new EC directives [illegible] water quality.

The industry estimates [illegible] its improvement programme to the year 2000 will cost £28bn. Investment in clean water is expected [illegible] account for 38 per cent of the total. (Most of the remainder covers sewerage and waste water treatment, [illegible] reduce pollution of beaches, lakes and rivers.)

The [illegible] 1989 requires companies to supply "wholesome" water for the domestic purposes of drinking, washing or cooking. Wholesomeness is defined by detailed regulations which incorporate all the standards [illegible] the EC Drinking [illegible] and include additional national standards. There are numerical standards [illegible] parameters, ranging from aesthetic matters such as colour and clarity to the amount of bacteria, natural minerals and man-[illegible] cals in the water.

The first report of the government's new Drinking Water Inspectorate, released in July, pleased the industry with its conclusion that "water supplied by all companies was of high quality and much was of exceptionally high quality". Of 3.3m water samples tested during 1990, 99 per cent met the legal standards.

[illegible] of the 1 per cent [illegible] compliance was due to water containing [illegible] much lead, nitrate [illegible] pesticide, [illegible] tasting [illegible] smelling unpleasant. Even [illegible] cases [illegible] to drink according [illegible] Water Services Association, the body representing the 10 large [illegible] companies in England and Wales. The government insists that all British drinking water will meet EC quality standards by 1995.

'As far as water is concerned, the claim that the UK is the dirty man of Europe [illegible] totally erroneous'

In turn, environmental pressure groups accuse the government and industry of being complacent. Friends of the Earth says that 10m consumers [illegible] supplied with water regularly contaminated beyond the legal limits – and that some people will have to wait until 2002 for their supplies to meet the required standards.

The Centre for the Exploitation of Science and Technology (Cest), based in London, recently carried out an independent evaluation of [illegible] water industry. "As [illegible] water is concerned, the claim that the UK is the dirty man of Europe is totally erroneous," it concludes. "The quality [illegible] drinking water and rivers compares favourably with the best in the world. The one aspect on which the UK has been backward is bathing beaches and the discharge of raw sewage into the sea via long outfalls." Even so, the industry plans to [illegible] over the next 10 [illegible] directly on [illegible] and [illegible] further [illegible] on [illegible] distribution.

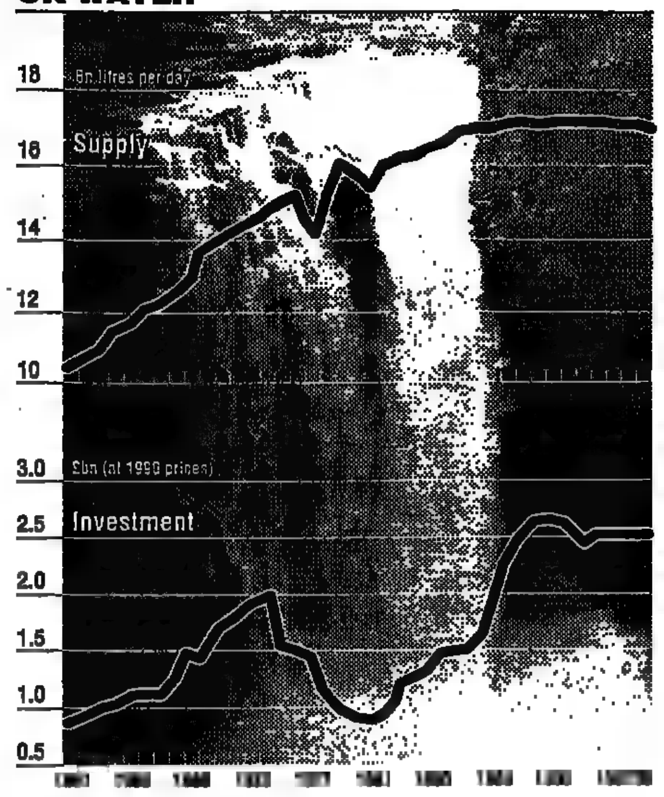
The type of [illegible] required depends on [illegible] of [illegible] water. "Groundwater" pumped [illegible] supplies 28 per cent of Britain's drinking water. This [illegible] through [illegible] ground [illegible] many [illegible] until it reaches impervious rock, where it [illegible] an aquifer. Many pollutants [illegible] been fil[illegible] out naturally, [illegible] ground[illegible] normally purer than [illegible] taken from rivers, [illegible] and reservoirs. Water from [illegible] rivers [illegible]erally requires the most extensive treatment.

[illegible] most [illegible] in conventional [illegible] treatment [illegible]

■ Clarification. Coagulant chemicals such as aluminium sulphate and ferrous sulphate [illegible] to [illegible] impurities come out [illegible] solution. This process produces large particles known as flocs which [illegible] of the water, carrying many impurities with them.

■ Filtration. The water is either passed rapidly through sand and gravity filters or allowed to trickle through [illegible] sand filter" [illegible]. The latter contains micro-organisms which help to break down impurities.

UK WATER



Source: Cest, from data supplied by the Water Services Association and the Water Companies Association

● Disinfection – traditionally [illegible] by chlorination. [illegible] may [illegible] necessary to [illegible] large [illegible] to kill all micro-organisms, and then [illegible] excess chlorine before [illegible] is pumped out [illegible] customers. In [illegible] case, [illegible] UK practice [illegible] leave low [illegible] of "residual" chlorine in the water, [illegible] deal with any bacterial contamination in the distribution system.

[illegible] treatment is, however, unable consistently to bring pesticide [illegible] down to the standard of one part per 10bn of water, required by the EC. This is close to the limit of detection and is known as a "surrogate zero" [illegible] "pseudo-zero". It is equivalent [illegible] a jugful [illegible] pesticide [illegible] UK [illegible] supply.

[illegible] Water, the largest supplier, recently opened a prototype "advanced [illegible] treatment" plant [illegible] Kempton Park [illegible] south-west [illegible] London. [illegible] testing [illegible] techniques which [illegible] plans to introduce at a cost of [illegible] throughout [illegible]. [illegible] key [illegible] are ozone treatment [illegible] by granular [illegible] carbon.

[illegible] is [illegible] powerful [illegible]ing [illegible] down most organic substances in the [illegible], including pesticides. Activated carbon [illegible] fine molecular filter, made like charcoal by burning [illegible] and similar materials. It absorbs [illegible] of organic chemicals including fragments of pesticide molecules that [illegible] been broken down by the ozone.

[illegible] ozone nor [illegible] carbon is a novelty. What [illegible] new at Kempton Park is their use in combination with traditional slow sand filters. The pilot plant is [illegible] experimenting with hydrogen peroxide, another oxidising agent which boosts the [illegible] of [illegible]

[illegible] well as destroying pesticide residues, ozone [illegible] as [illegible] disinfectant. Ultraviolet (UV) light is [illegible] alternative technique being introduced for the same [illegible] For example, Folkestone & District Water Company in Kent has just installed a Hanovia computer-controlled UV [illegible] system [illegible] its unmanned Drellin[illegible] pumping [illegible]. Graham Cross, [illegible] company's engineering manager, [illegible] a financial comparison showed that UV would involve higher capital spending but lower running [illegible] than a [illegible] chlorination system.

Although ozone [illegible] UV [illegible] amount [illegible] chlorine that [illegible] to [illegible] water, the companies using these new systems [illegible] the precaution [illegible] adding a little chlorine [illegible] their mains [illegible]. A typical [illegible] concentration [illegible] part per 10m – [illegible] the level [illegible] most people [illegible] it.

Chlorine [illegible] a slight health risk in drinking [illegible] it [illegible] impurities to [illegible] organo-chlorine compounds which [illegible] potential carcinogens. How[illegible], most [illegible] engi[illegible] a hypotheti[illegible] slight [illegible] of cancer is preferable [illegible] the certain [illegible] infectious disease with unchlorinated supplies. And they point [illegible] most [illegible] chlorination origi[illegible] in the US, where levels [illegible] chlorine [illegible] frequently 10 [illegible] higher than in [illegible] UK.

However, [illegible] parts of Europe – notably Amsterdam – [illegible] dispensed with routine chlorination altogether, though they monitor [illegible] quality and [illegible] system with chlorine if [illegible] signs [illegible]. "A [illegible] people in [illegible] industry regard Amsterdam as being very brave," says Tony Rachwal, water treatment manager at Thames [illegible] research [illegible]

[illegible] will [illegible] next week by [illegible] how [illegible] are preventing pollutants from entering the water supply.

Cloudy messages in bottled water

Elisabeth Tacey examines variations in purity

In Italy, France and Belgium each person drinks an average of 100 litres of bottled water a [illegible] in the UK [illegible] is nine litres. Yet how many people know that some bottled [illegible] in Europe are not required by [illegible] to be any purer than the water [illegible] comes out [illegible] their taps?

In the UK, water labelled "mineral" has to conform [illegible] the Natural Mineral Water Regulations [illegible] which comply with [illegible] European Community directive [illegible] such [illegible] drawn up in 1980. [illegible] govern [illegible] sources [illegible] be used, how the water should be bottled, what analysis should [illegible] carried [illegible] and how bottles should be labelled.

Mineral [illegible] throughout the EC has to come from [illegible] recognised spring, well [illegible] bore, and be untreated except for necessary oxygenation followed by filtration or decanting, [illegible] long [illegible] not change the constitution [illegible] the water. [illegible] dioxide can [illegible] or removed, but this must be specified on the label. There is a concentration limit [illegible] for [illegible] mineral.

[illegible] does not claim to [illegible] mineral, such as "table", "spring" [illegible] "purified", [illegible] be [illegible]. It has only to conform [illegible] the [illegible] directive passed in [illegible] on [illegible] for human consumption, as [illegible] tap-water.

In [illegible] UK, these rules [illegible] only now being incorporated [illegible] law, although the Ministry [illegible] Agriculture Fisheries and Food (Maff) [illegible] producers are already working to [illegible] standards in anticipation [illegible] them being incorporated in [illegible] future.

"People [illegible] bottle tap-water," [illegible] of [illegible] Drinks [illegible] (BSDA). She [illegible] had inquiries from people proposing [illegible] tap-water, who [illegible] know what [illegible] follow.

During [illegible] "purified" [illegible] – fil[illegible] and [illegible] tap-water – [illegible] on [illegible] the market; [illegible] brands, Europure and Purefect '95, have built [illegible] 1.4m [illegible] within a year.

Trading standards officers carry out spot checks [illegible] sold in [illegible] shops, but [illegible] regularity [illegible] according [illegible] the [illegible] authority. The source [illegible] have [illegible] inspected before a licence [illegible] granted for the water [illegible] be bottled and [illegible] – information given in [illegible] application, which requires detailed mineral and organism analysis, [illegible] suffi[illegible]. The officially recognised analysis [illegible] not [illegible] to be repeated, although producers are required to monitor the water and ensure [illegible] content is stable.

Maff [illegible] "the onus is on the producer" [illegible] ensure that [illegible] source and water conforms with the rules. The ministry [illegible] on the "quite strict" [illegible] Act, which [illegible] of January 1991.

While the UK [illegible] Association calls for mineral [illegible] to [illegible] required to have [illegible] higher mineral content compared with other bottled waters, [illegible] small body [illegible] opinion in the US contends that all minerals in [illegible] are harmful and that drinking [illegible] should be distilled.

However, Ron Walker, professor of nutrition [illegible] University of Surrey, [illegible] there is no evidence that the body cannot take up inorganic minerals. And the Food Safety Advisory Centre, offering independent [illegible] from a panel [illegible] food and nutrition experts, reckons that drinking distilled water could be harmful [illegible] it leaches minerals out [illegible] the body.

According to [illegible] survey by John Bradwell [illegible] imports [illegible] bottled waters into the UK have decreased in [illegible] 12 months [illegible] June 1991 by [illegible] per cent. Imports [illegible] the non-mineral type, however, have more than doubled in the [illegible] half [illegible] compared with [illegible] months [illegible]. This reveals [illegible] sharp [illegible] in imports [illegible] mineral water.

[illegible] Consumers' [illegible] wants [illegible] bottled waters [illegible] be bound by the mineral [illegible] regu[illegible] – and [illegible] minimum mineral [illegible] for those defined [illegible] mineral waters. [illegible] US, mineral [illegible] excluded from the guidelines for mineral [illegible] tap-water [illegible] by the [illegible] and Drug Administration, because the name "explicitly implies a higher mineral content", [illegible] the FDA.

The mineral content [illegible] mineral water must be stated and must not be above [illegible] laid down in the [illegible] Regulations. It must [illegible] comply with similar regulations [illegible] EC on purity, stability [illegible] the [illegible] and labelling, and the producer must keep [illegible] source [illegible] pollution [illegible] micro-organisms.

Geary Campbell [illegible] the International Bottled [illegible] Association, the [illegible] trade body, says [illegible] a definition [illegible] mineral water with which [illegible] members must comply. This [illegible] the [illegible] must have [illegible] mineral content higher than [illegible] of other bottled [illegible].

"One in six people in the US drinks [illegible] water," [illegible] says – and this average [illegible] "in [illegible] and [illegible] York, people [illegible] more bottled [illegible] than tap-water".

The BSDA says [illegible] the presence of bacteria "is desirable as confirmation that the [illegible] natural and [illegible] has been no intervention". It argues that [illegible] tap-water count is [illegible] it is [illegible]. The microbes in [illegible]ral [illegible] water "are [illegible] health significance". The mineral [illegible] regulations [illegible] that [illegible] harmful [illegible] be [illegible]

MANAGEMENT

Time to present a united front

By Christopher Lorenz

Is fast, furious [illegible] unforgiving the right way to integrate a newly-acquired [illegible] "merged" company?

Many experienced purchasers would certainly [illegible] so. BTR, *which is just starting to digest Hawker Siddeley's former empire, operates in this* fashion.

So does another successful British conglomerate, Williams Holdings, which [illegible] eyeing [illegible] half-exposed entrails [illegible] its [illegible] prey, Racal.

But less experienced would-be players at the [illegible] and acquisitions [illegible], such as British Airways and KLM, [illegible] Hoesch [illegible] Krupp, should think hard before following [illegible] particular integration [illegible] – whether it be *the conglomerates' muscular* approach, or [illegible] "softly softly" *style of more sensitive purchasers.*

The "right" way [illegible] after a takeover or [illegible] varies from [illegible] depending on a wide range of *complex variables, according* to a new international study.

This [illegible] because [illegible] value which can [illegible] created by [illegible] acquisition [illegible] the particular mix of "strategic capabilities" which need [illegible] be trans*ferred between the two* organisations involved, [illegible] authors [illegible] study, Philippe Haspeslagh of [illegible] David Jemison of [illegible] University of Texas*.

In [illegible] ultra-analytical but nevertheless helpful [illegible] about their work, Haspeslagh and Jemison advise [illegible] transfer [illegible] types [illegible] capability:

● Operating [illegible] (combining [illegible] forces, [illegible] sharing *production facilities*).

● Functional skills (the [illegible] a *company develops products.* Such skills [illegible] a long *time for a partner* [illegible] *learn*).

● General management skills (strategy development, resource allocation, financial control, personnel manage[illegible]. These can [illegible] through patient coaching, or mandated for immediate adop[illegible]).

On each [illegible] these dimensions, the [illegible] appropriate in[illegible]tion approach [illegible] inter-dependent the [illegible] organisations [illegible] have to [illegible] against how much autonomy they will need from [illegible] other.

Regardless of which integration approach [illegible] taken, a host [illegible] if it [illegible] to succeed, the *authors continue.*

These include the establishment [illegible] a formal "interface" [illegible] the [illegible] organisations, to avoid one side swamping the other; the instilling [illegible] a clear sense [illegible] mutual purpose which extends beyond short-term objectives; and the seeking [illegible] *of potential problems, rather* than the repression [illegible] them by imposition [illegible] purchaser's control systems.

Three particular problems tend [illegible] hamper the [illegible] of capabilities between [illegible] companies, [illegible] and Jemison, who [illegible] and acquisitions involving 20 companies:

First, the tendency to cling to the original justification for [illegible] takeover, [illegible] if, [illegible] often, "post-acquisition reality is very different".

Second, the unexpectedly *high degree of uncertainty,* [illegible] and [illegible] behaviour on [illegible] part [illegible] people affected by [illegible] acquisition.

Third, [illegible] articu[illegible] purpose for [illegible] companies; [illegible] of the acquisitions which [illegible] studied, top managers' [illegible]tion peaked [illegible] deal, and they [illegible] leadership vacuum behind [illegible].

Haspeslagh and Jemison's [illegible] covers a [illegible] canvas. [illegible] well [illegible] examining [illegible] integration of acquisitions, [illegible] also looks at [illegible] pre-takeover process.

It [illegible] the experience [illegible] companies in advertising, financial [illegible]ervices, electrical *engineering,* [illegible]cals, [illegible] making machinery.

Its many [illegible] stories are epitomised by [illegible] following, *from a finance company* acquired by [illegible] bank: "They [illegible] really [illegible] strategy [illegible] One [illegible] developed at [illegible] time of the [illegible] but [illegible] far removed from the reality of what the two of us could really do together that we ended up drifting and struggled to make profits."

* *Free Press. £19.95; $29.95 in the US.*

Public speaking

First, take a deep breath

Lucy Kellaway seeks professional advice on how to project herself

"ROGER, *take your hands* [illegible] of your pockets." "Don't scratch, Henry." "Michael, stop dancing around." It might have been Joyce Grenfell. But this was no nursery school, it was a Mayfair hotel in which six British managers [illegible] being taught how to give a presentation.

At the beginning of the two-day course, each was asked [illegible] give [illegible] short talk to camera. [illegible] had [illegible] down his back. A second gabbled, another whispered at his shoes, while [illegible] *fourth stood* rooted [illegible] the ground, delivering his [illegible] in [illegible] *low* [illegible] tone.

They [illegible] united in a desire to [illegible] more confident. All complained [illegible] soon as they [illegible] faced with an audience, [illegible] could not explain them[illegible] properly, were [illegible] by [illegible] or were prone [illegible] lose their thread. A [illegible] in a construction company said [illegible] *he had* [illegible] 20 [illegible] trying [illegible] avoid giving presenta*tions,* [illegible] "*in the recession we* [illegible] go out and sell. These *presentations* [illegible] *stay*".

The key [illegible] said the [illegible] leader, *Christina* [illegible] (pictured), is body language. [illegible] *has shown* [illegible] almost [illegible] of the impression that [illegible] speaker [illegible] on [illegible] audience [illegible] visual. [illegible] further [illegible] per [illegible] comes from the sound [illegible] voice, [illegible] the speaker [illegible] for [illegible] mere 7 per cent. *Clearly,* there is no point in staying up all night writing [illegible] speech if you do not [illegible] your trousers and do not stand up straight.

According [illegible] Stuart, [illegible] Speakeasy Training based in north London, [illegible] are [illegible] simple [illegible] better presentations.

● Eye [illegible] is [illegible] important of all. Look for a few [illegible] your speakers in all parts of the [illegible] Do [illegible] direct [illegible] talk [illegible] your [illegible] or [illegible] person present.

● Stand with both feet rooted [illegible] ground. [illegible] your weight from [illegible] foot to another or take refuge behind [illegible] lectern, as [illegible] will undermine your authority. [illegible] not even think about giving [illegible] presentation sitting down.

● Arms [illegible] be [illegible] give [illegible]. Don't jangle the coins in your pocket, scratch your head or push your glasses back up your nose. Instead let [illegible] arms hang by your side, free to make gestures that [illegible] whole arm.

● The [illegible] must not be turned down [illegible]. Try to look happy.

● Men should have their jackets on, trousers pressed. The inside button *of a double breas*[illegible] should [illegible] done up. Dress badly and your audience will conclude that you have no attention for detail.

● Vary both the volume and the pitch of your voice and the speed of delivery. Breathe deeply.

● Do not say "er", "um", or "I *mean*". A silence while groping for the right word is better.

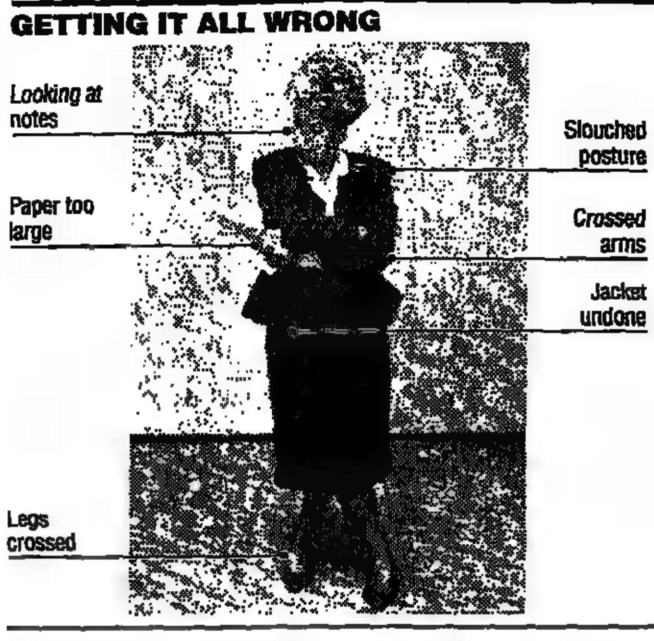
● When *planning the speech,* think about who you are talking to. Remember that the audience will not necessarily be listening – so be clear. Try *writing* down the aim of the talk in one sentence. Choose just *a few points. Recap.* Give examples to illustrate what you are saying. Say at the outset how many points you are going to make. Sum up briefly [illegible] conclusively. "Tell 'em what you're going to tell 'em, *tell 'em, and then tell 'em* you've told em," says Stuart.

● *Make notes on cards,* rather than large pieces of paper, and then improvise around them. Rehearse out loud, imagining that you are doing so to some*one* who loves you.

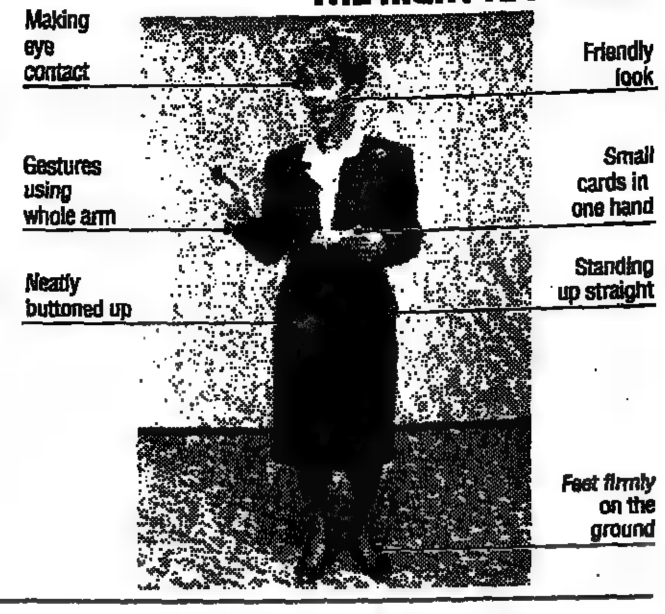
Stuart's six students spent two days *trying to adapt to* these principles and criticising the attempts of the others. The result? All six were standing with both feet on the ground, with their jackets buttoned up, and holding bundles of small cards. "I've got over some personal hang-ups," said one. "I've learnt to be more expressive," said another. "I'm amazed at how much is in it, feet, hands, eyes, voice pitch," said a third.

If their eyes were darting unnaturally around the audience and if some of their hand gestures looked alarmly contrived, that was only to be expected. According to Stuart, you *need to do what feels* unnatural in order to look *more natural.* "At the *moment* you are all consciously competent. Until you get a lot of practice, you won't be unconsciously competent."

GETTING IT ALL WRONG



THE RIGHT APPROACH



Casting light on capitalism

Paul Taylor looks at a course for east European managers

In mid-October, 31 middle managers from Tungsram, the Hungar[illegible] lighting manufacturer, gath[illegible] at the Duna hotel just [illegible] for [illegible] first-ever training session in that most capitalist [illegible] concepts – *marketing.*

The five-day programme was *organised by Strat*X,* an international consultancy group specialising in computer-based training systems, on behalf of [illegible] the US industrial conglomerate which acquired a [illegible]trolling [illegible] in the Hungarian company [illegible] years [illegible].

The Tungsram managers, chosen for their [illegible] mastery of English, were the first [illegible] several hundred expected [illegible] take part in [illegible] specially [illegible] marketing course.

[illegible] acquisition of the Tungsram [illegible] one of [illegible] biggest and [illegible] investments by [illegible] western company in eastern Europe following the collapse of communism.

In Tungsram, GE [illegible] a solid manufacturing company founded [illegible] years ago with a [illegible] for innovation, 10 plants straddling Hun[illegible] *Austria, 17,000 employees* and 7 [illegible] growing Euro[illegible] market.

[illegible] was also [illegible] company without any clear strategic direction – 40 years of state ownership had taken its toll. To stem the company's losses and get the manufacturing process right, the US parent installed a new senior management team led by Hungarian-born George Varga as [illegible] executive, cut the workforce substantially and began [illegible] rational[illegible] the product line.

[illegible] challenge of changing the Tungsram "corporate [illegible]ulture" and revitalising its now 13,000-strong *workforce fell to Jim Conheady,* brought in by GE as vice-president of *organisation and manpower develop*ment. Teaching English was an early *priority,* [illegible] *dif*ferential pay and set up [illegible] workforce communications *system. Training* programmes, delivered in Hungarian, were organised on *basic management* [illegible] like personnel and finance.

However, teaching practical [illegible]keting [illegible] a particular problem. "The [illegible] philosophy did not [illegible] as such," explains Conheady. [illegible] and [illegible] Thorne, [illegible] group's London-based managing director.

After visiting Tungsram in [illegible] summer Thorne suggested [illegible] tailor-made three-part training course, believed to be the first of its kind run in eastern Europe. "Tungsram was always very successful in technological and production *terms* and earned an enormous amount of respect from *its competitors,*" [illegible] Thorne.

"[illegible] was weighed [illegible] by *bureaucracy and the* [illegible] *producing* to a state-imposed plan. We wanted to help *the Tungsram managers* develop a shared vision and strategy and to enhance their skills in the fundamentals of strategic marketing."

Thorne also realised that a course based heavily on US examples would be unpalatable. "We could not tackle this as though we were bringing the great wisdom of the capitalist world to these eastern European managers and executives," he says.

The course he designed covered the basic marketing disciplines, including profitability analysis, pricing *strategy, customer and competitor analysis,* marketing dynamics and planning.

Phase one comprised the w[illegible]k-long training session in the Duna hotel, while the [illegible] six-week phase involved four teams of Tungsram managers undertaking real-life projects like working out how to improve margins or which product lines to focus on.

The final phase, under way now, will see the teams presenting their *projects to senior management* in workshops – with a commitment from *George Varga that good ideas* will indeed be implemented. So far, the programme has gone well although initially the Tungsram managers were a little apprehensive. "It was a slow start," admits Thorne.

Conheady contends that "the hidden advantage" of GE's Hungarian acquisition "has been the calibre of the people." Lending weight to his statement, one of the Tungsram management teams on the training course notched up a record high score on the Markops computer programme.

FT LAW REPORTS

Writ can be served on reinsurer in Johannesburg

OVERSEAS [illegible] LTD [illegible] OTHERS [illegible]
Court [illegible] Appeal
(Lord [illegible] Parker, Lord Jus[illegible] Stuart-Smith and Lord Jus[illegible] Mann):
[illegible] 25 1991

[illegible] CLAIM [illegible] insurers identifying [illegible] which they allege monies are [illegible] them is sufficient to show a good arguable claim in contract for service [illegible] the jurisdiction without detailing the amounts due [illegible]. And in deciding whether it sufficiently [illegible] the [illegible] is [illegible] proper one for [illegible] out [illegible] is not *required* [illegible] whether the reinsurer's [illegible] illegality may be [illegible] *to* extinguish his alleged [illegible]ity.

[illegible] Court [illegible] Appeal so [illegible] allowing an appeal by the plaintiff [illegible] Union Insurance Ltd and others, from Mr [illegible] setting [illegible] and service of [illegible] concurrent writ on [illegible] reinsurer, Incorpo[illegible] Insurance Ltd, in Johannesburg.

LORD JUSTICE PARKER said that by a writ dated April 6 1988 the seven plaintiff insur[illegible] companies instituted proceedings against the defendant, [illegible] South African [illegible] company, [illegible] money allegedly due under [illegible] reinsurance [illegible].

The plaintiffs were [illegible] the Accolade Pool which comprised Singapore, Finnish, [illegible] and Cayman Islands companies.

Neither the [illegible] nor any of the plaintiffs, save one, were authorised under section [illegible] *of the Insurance Companies* [illegible] 1974, to carry on insurance business in Great Britain. *One* plaintiff was authorised in respect [illegible] certain [illegible] of business.

The plaintiffs were granted leave to issue a concurrent writ and to serve the defendant at its address in Johannesburg.

The defendant applied for discharge of the order and for a declaration that [illegible] had *no jurisdiction.*

[illegible] Justice Gatehouse ordered that issue and service [illegible] aside, and granted the declaration sought. [illegible] plaintiffs appealed.

The writ alleged [illegible] reinsurance [illegible] had been made between [illegible] plaintiffs acting through Accolade Underwriting Agency (AUA) [illegible] defendant, and that [illegible] had [illegible] pay [illegible] under [illegible] contracts.

The [illegible] were identified by description and period. The [illegible] alleged [illegible] were [illegible] and [illegible].

The affidavit filed in support [illegible] the application for leave alleged that each of the plaintiffs had given AUA, a Guernsey based company, authority to accept insurance and reinsurance business on its behalf, and to place [illegible] contracts protecting [illegible].

It [illegible] that [illegible] *Underwriting Managers* (AUM), [illegible] London based company, had [illegible] *as* [illegible] AUA in placing [illegible] protecting [illegible] *risks* accepted by AUA.

The affidavit [illegible] and [illegible] the cover notes. *It* asserted an express or implied term of the [illegible] premiums [illegible] claims should be paid in London, and that demands for payment had been made without satis[illegible] answers.

On the basis of the writ and and supporting affidavit there was sufficient ground for the original *ex parte* orders to be made.

On [illegible] application [illegible] aside there was a considerable body of further evidence.

[illegible] case was that the plaintiffs had not established to the required standard of proof that the claim fell within any of the heads of RSC Order 11 rule 1; and, it said, England was not the appropriate forum.

In Metall und Rohstoff [1989] 3 WLR 563 Lord Justice Slade *said a plaintiff* seeking leave to serve out of the jurisdiction must show first, that [illegible] a "good arguable claim on the merits"; that there was a strong probability that the claim fell "within the letter and spirit" of one of the subheads of Order 11 rule 1; and third, [illegible] *England* [illegible] the forum in which the case could "most *suitably* be tried in the interes[illegible] of all [illegible] parties and for the ends of justice".

Mr Justice Gatehouse held that the plaintiffs had not satisfied [illegible] first requirement because: first, they had not shown a good arguable case on *the merits* for the amounts due to them since no particulars [illegible] *given showing the* details; and second, the underlying insurances in the case of six of the plaintiffs were *prima facie* illegal as having been made and carried out in London in breach of the 1974 Act, and there could therefore be no [illegible]very under the reinsur[illegible] in the light of *P[illegible] [1988] QB 216.*

He held there was a strong probability that the claim fell within Order 11 rule 1(1)(d)(iii) in that the contracts were by implication governed by English law; and that England would be the most appropriate forum.

The plaintiffs challenged the conclusion that they failed to make out a good arguable case on the merits.

There was no dispute that the contracts had been made. Each was identified and the amount claimed under it was stated.

In the correspondence leading up to issue of the writ the defendants said no more than that the amounts claimed did not tally with their records. It was not suggested that nothing was due.

There was plainly a good arguable case that moneys were due under each of the five contracts. That appeared to be hardly disputed.

The plaintiffs had produced evidence that they were contracting parties and that monies were due. That was enough.

With regard to illegality, section 2(1) of the 1974 Act provided that no unauthorised person should carry on insurance business of specified classes in Great Britain. By section 11 *anyone who did so was* guilty of an offence and was liable to imprisonment or fine.

The defence sought to be set up by the defendant was that the plaintiffs in respect of underlying insurances and the reinsurances were guilty of criminal offences.

The plaintiffs' case was that there were no breaches of the Act, and that if there were, the contracts were nevertheless valid and enforceable.

There were thus issues of fact and of law involved. The legal issues stemmed from *Bedford Insurance [1985] 1 QB 966* and its endorsement obiter in *Phoenix.*

The factual and legal issues were so intertwined that the legal issues could not be resolved until the facts were found.

Where the plaintiffs, apart from the illegality point, [illegible] a good [illegible] the merits, as they did, but the defendant sought to reduce its prospects below the required [illegible]hold by [illegible] defence which depended on establishing that they had been guilty of [illegible] criminal offence, a heavy burden must lie on the defendant.

If the matter were to proceed to trial the defendants would [illegible] to establish the offence to, if not the same standard as in a criminal trial, *at least to a* very high degree of probability.

[illegible] being [illegible] it was [illegible] enough to conclude that there was a *prima facie* case of illegality and that the plaintiffs had therefore not shown a good arguable case on the merits. A judge faced with that situation would have to conclude that on the material before him there was at the very least a strong probability that the offences had been committed.

Order 11 rule 4(2) provided that leave to serve out should not be given "unless it shall be made sufficiently to appear that the case is a proper one for service out of the jurisdiction". That was the only guidance to proper application of the Order.

In *Korner [1951] AC 869* where there was no dispute that contracts had been made, Lord Tucker said "the judge was not concerned *to* inquire closely to ascertain... whether or not the defendants might have a sufficient set-off to extinguish their alleged indebtedness thereunder".

There was only one requirement, namely that it should be made sufficiently to appear that the case was a proper one.

On the basis of Lord Tucker's speech it appeared very doubtful if it was right even to consider a special defence such as illegality, the burden of proving which was plainly on the defendant.

The appeal was allowed.

Their Lordships agreed.

For the Plaintiffs: Peter Goldsmith QC, David Railton, and Andrew Burrows (Stephenson Harwood).

For the Def[illegible] Anthony Clarke QC and Simon Rainey (Clyde & Co).

Rachel Davies

Barrister

هكذا من الأصل

TELEVISION

Why this mindless pandering to 'yoof'?

More and more television journalism appears to be aimed at children, or "kids" as they are called with cloying matiness by the 40-year-olds who run the 'yoof' industry. Worse, much [illegible] journalism assumes that "kids" are not only young and therefore lacking experience of life, but [illegible] they [illegible] without exception stupid, uneducated, and unable to concentrate on anything for more than 45 [illegible]onds. Worst of all is the assumption that "kids" simply won't stay with [illegible] programme unless you dub in a [illegible] of mind numbing monotony. [illegible] far [illegible] television's yoof departments are concerned the young people who pack the promenade floors of the Albert Hall or sixth form debating societies simply do not exist. If you are [illegible] teenager then so far as the yoof merchants are concerned, you must be as thick as [illegible] short planks and [illegible] with pop music.

[illegible] that is [illegible] the [illegible] story. In the week that saw the transmission on BBC2 [illegible] the final programme in Norma Percy's outstanding series *The Second Russian Revolution* it would be disgraceful to pretend that there are no exceptions. This was one of the [illegible] electrifying bits of [illegible]sion journalism I [illegible]. Virtually everybody who was anybody on either side of [illegible] attempted coup against [illegible] was interviewed, from the former KGB chi[illegible] Kryuchkov who explained "[illegible] put extra guards [illegible] Gorbachev's villa then cut off all his phones" to the man who climbed up onto the tank as Yeltsin made his inspiring speech of defiance, and [illegible] smiles ruefully at the camera [illegible] he remembers worrying about dirtying his white shirt.

This is [illegible] remarkable enough programme considered solely as a historical document: it is as though we possessed a film from 1917 showing us not only [illegible] Lenin, Stalin and Trotsky had to say at the time, but also detailed explanations from Kerensky, Protopopov [illegible] Tsar Nicholas of precisely what they were doing. The description by one of those present of Gorbachev, Raisa and their children sitting on the floor of their [illegible] gaol, desperately turning the little Sony radio with the fading batteries to improve reception and hear what was happening in Moscow, is utterly gripping. But in addition to the history [illegible] programme [illegible] enthralling [illegible] of drama [illegible] the shared description from many of [illegible] of the race to the dacha to find [illegible] before the leaders of [illegible] coup and [illegible] could spirit him away.

Much of this might be conveyed in [illegible] book, but when the [illegible] of Gorbachev's [illegible] to Moscow is illustrated with shots of Rutskoi, armed with a machine gun, peering nervously out of the door of the [illegible] jet [illegible] see which [illegible] of [illegible] airport, you realise how much better served by newsreels future generations are going to be than we [illegible]. We may tell ourselves that the storming of [illegible] Winter [illegible] in 1917 really did look [illegible] way it [illegible] those familiar bits of film, but [illegible] seems all too likely that the fine directorial [illegible] Eisenstein lies behind them.

Nor was [illegible] the only impressive piece [illegible] journalism [illegible] week: there [illegible] slots as disparate [illegible] and *Equinox*. The point [illegible] all good journalism is [illegible] from television, [illegible] that an awfully large [illegible] tion [illegible] the "[illegible]" variety. The [illegible] became noticeable [illegible] time [illegible] with [illegible] such [illegible] *Network 7* [illegible] pop music, [illegible] "tabloid" approach [illegible] journalism, gossip, [illegible] with [illegible] stunts. Not [illegible] new [illegible] has taken up every constituent of that formula (and the [illegible] unhelpful visual style with irrelevant colour washes, cameras on their sides, [illegible] captions fighting [illegible] pictures for attention, [illegible] all the other malarkey so beloved of directors [illegible] largely abandoned, happily). However, [illegible] lot have adopted some of it.

The most [illegible] is *The* [illegible] which is shown [illegible] combines pop [illegible] studio chat, occasional [illegible] reports, [illegible] on-screen [illegible]. Last week there was chat with *Carry On* [illegible] and [illegible] group [illegible] Right Said Fred, an American reporter took a camera crew to [illegible] hen party in Redditch, presenter Terry Christian interviewed and reported on a [illegible] Chubby Brown [illegible] specialises to such an extent in foul language that nobody will employ [illegible] on television, and [illegible] doctor in the studio injected a [illegible] woman's lips [illegible] collagen, a [illegible] now popular with American wannabes who currently all [illegible] like [illegible] Bridget [illegible] or Mick Jagger (though naturally they [illegible] see it in quite [illegible] terms) with [illegible] thick protuberant lips.

In *The Word* journalism seems [illegible] seen solely in terms of entertainment. The [illegible] true [illegible] *DEF II – Reportage* on BBC2 [illegible] to [illegible] more serious [illegible]. Last week's programme concentrated on crime among [illegible] people, reporting from the [illegible] and commissioning an opinion poll on attitudes to crime (78 per cent of [illegible] people think the penalties for joy-riding [illegible] far too light). This [illegible] sensible enough subject [illegible] series, [illegible] the way in which the programme is put together makes you wonder [illegible] producers' [illegible] of their target audience.

On the one hand each part is kept very short as though the [illegible] of [illegible] dragonfly is assumed [illegible]. On [illegible] hand a large proportion of [illegible] information is contained in [illegible] form which any producer [illegible] tell [illegible] causes trouble [illegible] and dedicated adult audiences [illegible] subtitles. It is [illegible] to believe that the BBC really imagines [illegible] audience which [illegible] banga-banga-banga, bang-bang-bang disco [illegible] this programme [illegible] audience [illegible] to [illegible] long screen captions.

[illegible] *DEF II* does [illegible] flit from item to item quite as fast as BBC1's most recent wildlife series *Lifesense* which on Monday this week dealt with bees, bats, black rats, turtles, holy cows, [illegible] Jain monks, storks, [illegible] bats, catfish, finches, falcons, cats, scarabs, sheep and snakes (Italian and American) in 28 minutes. A similar approach is taken by [illegible] archaeology series *Down To Earth* [illegible] ping-pong ball [illegible] reliefs [illegible] English [illegible] fenland fort to fairy tales about King Arthur, terrified, it seems that we might be saying "Good grief [illegible] item [illegible] already lasted 55 seconds let's switch over [illegible] something more pacy". [illegible]tally, [illegible] did the makers of *Down To Earth* imagine [illegible] we might [illegible] to hear pop singer Billy Bragg on the subject of the Cerne Abbas giant? His [illegible] and the most interesting thing he could have told us he chose to ignore: why he was wearing [illegible] length culottes.

Channel 4's *4-Thought* [illegible] problems of [illegible] was [illegible] mount [illegible] spoof game show with a panel [illegible] seven "competitors" [illegible] were quite unrepresentative of [illegible] population, [illegible] by [illegible] show's [illegible] phone poll, and who [illegible] actually had to compete for anything. [illegible] Channel 4 [illegible] *Europe Express* [illegible] report from Vienna [illegible] firmly tied to [illegible] *Man* with zither music, [illegible] reporter standing in Harry Lime's [illegible] doorway and an interview on the big wheel. [illegible] *Schofield's Europe* [illegible] for their Vienna report [illegible] week? Right: zither music, [illegible] doorway, big wheel, the lot. Sachertorte too, of [illegible].

There [illegible] reason why [illegible] prefer their journal[illegible] tabloid should [illegible] be [illegible] by television [illegible] the press, though it [illegible] worth remembering that for [illegible] *World* [illegible] been proving [illegible] can produce popu[illegible] and easily accessible television journalism with [illegible] entire half hour devoted to [illegible] subject and not [illegible] hint of [illegible] disco beat. The question [illegible] how much of [illegible] new yoof material [illegible] need, and whether it [illegible] beginning, [illegible] I suspect, to [illegible] by broadcasters [illegible] a valid substitute for the real thing.

Christopher Dunkley

[illegible] stunts, pop music and chat: 'The Word' presenters Amanda de Cadenet, Terry Christian and Katie Puckrick

Design for Living

RICHMOND THEATRE

There were not many people at the Richmond Theatre on Monday. The theatre, which was not a bad place to start with, has been lavishly refurbished. Richmond has one of the highest IQs per head of population in the country. *Design for Living* is one of Noel Coward's best plays. THe Glasgow Citizens' Theatre, whose show this is, has a reputation of being among the best regional theatres in Britain.

The dress circle where I sat was half empty. From there, the limited view of the front stalls suggested that they were even emptier, and there was not much laughter either.

Yet perhaps the people of Richmond were right to stay away: this is an almost unspeakable production. Coward's play depends on style and wit. The style has been eliminated and some of the best lines omitted. *Design for Living*, you may remember, is about a *ménage à trois* extended over time. Gilda, the designer, loves both Leo, the playwright, and Otto, the artist. Leo and Otto also like each other, but can't have Gilda together. The comedy is that they tend to turn up at inconvenient times. It is the eternal triangle. None of the trio much likes outsiders.

Over the years they flit from Paris to London to New York, Gilda sometimes seeking to escape. In the end, they fall back into each other's company: artists and free spirits defying the respectability of the world around them. If the original play has a fault, it is that the design is too perfect: understand the basics and you can guess what is coming.

Still, there are pleasures to be had in a train running smoothly and on time. The Glasgow production has none of that. Part of the scene where Gilda is dining alone and Otto turns up to join her is omitted. That means losing one of Coward's most characteristic exchanges. Otto: "Funny, how much in love with you I was." Gilda: "We'll have a good laugh [illegible] that when you've [illegible] your pudding."

The dropping of Coward's jokes, however, is as nothing compared to the dropping of Cowards's style. Not only do his original characters speak well; they also [illegible] well. Philip Prowse's [illegible] has [illegible] in ill-fitting clothes, nearly all black or [illegible], whether dressing [illegible]. The smart [illegible] reduced to a vulgar display of bottles and drinking sherry and brandy from the wrong glasses. Perhaps there is irony here: it is not the irony intended by Coward. In short, it is downright perversity.

Probably [illegible] of Richmond [illegible] right [illegible] stay away, though they must have had [illegible] superior intelligence to know [illegible] in advance. One [illegible] to [illegible] mis-match. [illegible] is a lovely [illegible] in [illegible] of [illegible] suburbia, a [illegible] with a reputation and [illegible] of the finest of English [illegible]. Yet nothing in [illegible] production brings the components together. There must be some lesson to be drawn when people fail [illegible] up, [illegible] out [illegible] curiousity.

[illegible] only [illegible] Taylor [illegible] Gilda [illegible] by [illegible] detachment [illegible] if [illegible] wishes [illegible] were playing under better leadership. [illegible] an approach [illegible] theatre, the performance as a whole is close to suicidal.

Malcolm Rutherford

James Graham

Laurance Rodic and Roberta Taylor

Sculpture conserved on Merseyside

Bruce Boucher describes the goings on in an old Great Western Railway shed

Conservation is flavour of the month in big international museums. Highly successful exhibitions are now devoted to it, and the cleaning of any major masterpiece is bound to provoke discussion, if not polemic.

While some museums in this country pay lip service to the role of conservation, the National Museums and Galleries on Merseyside have recognised its importance by starting a new centre which will make Liverpool the focus for sculpture conservation in northern Britain and a serious rival to the national museums in London. The location is the Pier Head of the Albert Docks, already the site of the Maritime Museum and the Tate of the North and earmarked for new museum premises to be created with the support of the Merseyside Development Corporation over the next 20 years.

The first building in a proposed new conservation complex was originally a railway shed, a relic of the heyday of the Great Western Railway 100 years ago. James France, keeper of Conservation for the Merseyside Museums, recognised the building's potential for the conservation of large sculptures and the open space behind the shed will allow construction of a new building comprising some 2500 square metres. Over the next five years, the whole area will be given over to a range of conservation activities reflecting the great variety of Merseyside collections, which range from the Walker and Lady Lever Art Galleries to the Museum of Labour History and the Maritime Museum.

[illegible] Merseyside Museums have already pulled off a major [illegible] by enlisting [illegible] services of John Larson and Anne Brodrick, the senior sculptor conservators of the Victoria and Albert Museum and world-recognised experts in their field, as the first conservators for the sculpture centre.

[illegible] Henry [illegible] Foundation in [illegible] has agreed to support [illegible] permanent sculpture [illegible]servation posts for three [illegible] and [illegible] it would consider providing financial aid for students training in sculpture conservation. [illegible] support [illegible] Henry Moore Foundation in this [illegible] could [illegible] crucial [illegible] the growth of the centre, for although painting conservation is [illegible] established in various parts [illegible] Britain, sculpture conservation has chiefly been taught in a course run jointly by the V&A [illegible] the Royal College [illegible] Art. [illegible] only one of several [illegible] which the Moore [illegible] pursued in order [illegible] promote sculpture in Britain. Already lectureships have [illegible] at Leeds and York Universities and, in unobtrusive ways, the [illegible] plays [illegible] major role in the well being of the [illegible] this country.

The National Museums and Galleries [illegible] Merseyside believe that conservation is [illegible] backbone of any [illegible] service [illegible] spending accordingly. Already [illegible] budget for conservation [illegible] Merseyside [illegible] on [illegible] equal footing with [illegible] national museums, and an impressive array [illegible] state-of-the art equipment has [illegible] assembled for Larson and Brodrick.

The rehabilitation of the Great Western shed [illegible] Albert Docks provides a flexible open space with adjacent [illegible] for working on a variety of sculptures concurrently; works [illegible] also [illegible] loaded and unloaded under shelter and then be properly manipulated inside. Visitors to the [illegible] learn about the various problems of sculpture conservation [illegible] well [illegible] those of paper, painting, ceramics, [illegible] eth[illegible] exhibits.

Merseyside [illegible] the centre for sculpture conservation to develop gradually and will allow [illegible] for serious scholarly projects [illegible] evolve. Several ideas [illegible] now being mooted, [illegible] them the restoration of [illegible] Ince Blundell collection to its original setting, the Pantheon [illegible] Ince Hall [illegible] Liverpool. The Ince Blundell collection is [illegible] of the most famous 18th-century assemblages of antique sculpture in the country, second only to the Towneley Collection [illegible] British Museum, and has languished in storage for over [illegible] generation.

It [illegible] the creation of Henry Blundell, scion of a Roman Catholic land-owning family whose religion prevented him from taking [illegible] active role in public [illegible]. Blundell maintained close contacts with papal Rome, [illegible] interests in classical sculpture were in part [illegible] compensation for the limited [illegible] for his talents in other aspects of English life.

In [illegible] era of contraction, the bold[illegible] of the Merseyside project [illegible] heartening, but with [illegible] million visitors to the Albert [illegible] year the complex [illegible] every right to [illegible] in a bullish mood. The arrival of [illegible] sculpture conservation centre is an additional draw and signals [illegible] further tilt away from the national museums in London, at a time when the V&A appears to be scaling down its commitment to the field.

BBC Symphony Orchestra

ROYAL FESTIVAL HALL, RADIO 3

On Monday the BBC Symphony Orchestra [illegible] conducted by [illegible] Wigglesworth, his second concert [illegible] orchestra in five days. [illegible] Loppert's review here [illegible] Wigglesworth's Mahler 10 was severe – "in many respects [illegible] shambles" – and while technically the sequel [illegible] more accomplished (the BBCSO seemed [illegible] know the scores far bet[illegible] than [illegible] the Mahler) many of [illegible] same shortcomings could still [illegible] detected. The programme [illegible]tainly had a fresh, attractive look: Bartók's [illegible] for String, Percussion and Celesta and *Miraculous* [illegible] were separated by Mahler's *Kindertotenlieder* sung by Linda Finnie, who gained steadily in [illegible] after an uncertain start, and [illegible] have been undermined by the instability of the orchestral accompaniments. Franz Lehár's waltz [illegible] *and Silver* was the unlikely finale.

No British orchestra can have played the Bartók scores more often in the last 20 years than the [illegible] the strict coaching begun in that repertory by Boulez must still have a residual effect. Wigglesworth was able to approach [illegible] basic level of accomplishment, though some of his tempi in the *Mandarin* overtaxed [illegible] brass [illegible]cially, but his conducting rarely managed to capitalise upon it. When the Music for Strings [illegible] pushed towards its climaxes it was [illegible] in [illegible] obvious, excitable way; [illegible] the *Miraculous* [illegible] unfurled its mixture [illegible] sex n' violence, the episodes [illegible] coloured brightly enough but remained staid and under-characterised.

It was a pity tLat the Lehár [illegible] included [illegible] the [illegible] of the [illegible]plete *Miraculous Mandarin*; Wigglesworth conducted only the suite from Bartók's ballet, with the [illegible] ending that [illegible] anything more than abrupt and contrived. And the point of rounding [illegible] with that piece of Viennese high [illegible] seemed tenuous; though [illegible] BBC strings tucked into its phrases [illegible] if they had been starved of real music for too long, the rhythms remained earthbound, learnt by [illegible] rather than informed by musical instinct.

Andrew Clements

INTERNATIONAL

ARTS GUIDE

[illegible] EVENTS

■ AMSTERDAM

Concertgebouw 20.15 [illegible] Eotvos [illegible] ASKO and Schoenberg Ensembles in music by Orban, Kurtag and Ligeti. Tonight [illegible] Fri in [illegible] Zaal: [illegible] Quartet plays string quartets by Haydn, [illegible] and Dvorak. Fri, [illegible] and [illegible] afternoon in [illegible] Chamber [illegible] plays Schubert, Hummel and [illegible] (6718 345)

■ ATHENS

Concert Hall 20.30 Yehudi Menuhin [illegible] Radio Symphony [illegible] Chorus in the [illegible] of two [illegible] concerts. Tonight's programme: Requiem [illegible] First Violin Concerto, with Hu Kun. Tomorrow: Menuhin conducts the Symphony No 29 [illegible] Requiem. Fri: [illegible] Myrat conducts a Mozart and Mendelssohn concert. [illegible] Sun: Alun Francis conducts the Berlin Symphonic Orchestra in music by Scalcotas, Beethoven and Dvorak (722 5511)

■ BIRMINGHAM

Symphony Hall 19.30 [illegible] Rattle conducts [illegible] City [illegible] Birmingham Symphony Orchestra and Chorus in Verdi's Requiem, [illegible] soloists [illegible] Gruber, Luciana D'Intino, Dennis O'Neill and John Tomlinson, repeated [illegible] Sat. Fri [illegible] Handel's [illegible] (021-212 [illegible]

■ COLOGNE

Philharmonie Tonight, starting [illegible] 23.30, [illegible] special midnight [illegible] heralding tomorrow's [illegible] anniversary of Mozart's [illegible]. Tomorrow [illegible] 20.00: Helmuth Rilling [illegible] a [illegible] 1791 programme. Fri: Arturo Tamayo [illegible] world premiere [illegible] Castiglioni's [illegible] orchestral work. Sun [illegible] 11.00: Valery Gergiev conducts [illegible] Gurzenich [illegible] in Prokofiev's [illegible] Symphony. Sun at [illegible] (2801)

Opernhaus [illegible] repertoire is currently restricted [illegible] Hansel and [illegible] (tomorrow), Jochen Ulrich's Tanz Forum production of [illegible] and Juliet (Fri) and Die [illegible] and Sun), with further performances next week. The only other repertoire this month [illegible] Mozart's Entführung on Dec [illegible] and 28 (221 [illegible]

Schauspielhaus Torsten Fischer's new production of Schiller's The Robbers opens on Fri, [illegible] Tues. Strindberg's Miss Julie [illegible] seen at [illegible] Kammerspiele on [illegible] and Mon. [illegible] Jean Genet's [illegible] Bonnes (The Maids) in the main theatre on Sun (221 8400)

■ FRANKFURT

Alte Oper [illegible] Krzysztof [illegible] conducts the Frankfurt [illegible] Symphony [illegible] Symphony and Penderecki's [illegible] Concerto, [illegible] Christiane Edinger, repeated [illegible] and Fri. [illegible] Vivaldi [illegible] Colegium. [illegible] at 11.00: Yuri Ahronovich conducts [illegible] Frankfurt Opera [illegible] in Dvorak's [illegible]. [illegible] 19.00: [illegible] conducts a [illegible] performance [illegible] Mozart's La [illegible] di Tito (1340 400)

Opernhaus [illegible] conducts Les [illegible] d'Hoffmann. Tomorrow: Eugene Onegin. Fri: Shostakovich's The [illegible] Lohengrin. Sun: [illegible] by Balanchine [illegible] Forsythe (236061)

■ GENEVA

[illegible] Hall [illegible] Kazimierz [illegible] the [illegible] Romande in Beethoven's Coriolan overture, [illegible] Violin Concerto with [illegible] Bell [illegible] Szymanowski's [illegible] (292511)

■ GENOA

Teatro Carlo [illegible] Luisi [illegible] production of Un [illegible] in maschera, with a [illegible] led by Giuliano Ciannella, Paolo Gavanelli, Katerina Ikonomu [illegible]. Further performances, with alternating casts, [illegible] Fri, [illegible] afternoon and [illegible]

■ GOTHENBURG

Konserthus [illegible] Järvi [illegible] the Gothenburg Symphony [illegible] in [illegible] Funeral music, Piano Concerto [illegible] with Tatyana Nikolaeva [illegible] Nielsen's [illegible] Symphony. Repeated [illegible] and [illegible]

■ HAMBURG

Staatsoper Marco Arturo [illegible] new production of [illegible] fan tutte can [illegible] seen tomorrow, [illegible] next Tues, conducted by [illegible] Klee. The [illegible] includes [illegible], Susan Quittmeyer, [illegible] van der [illegible], Boje Skhovus [illegible] Tom [illegible]. John Neumeier's production of Sleeping Beauty [illegible] given on Fri, [illegible] Siegfried [illegible] role in [illegible] Wilson's staging of [illegible] on Sun [illegible]

Deutsches Schauspielhaus Tonight [illegible] 19.30: Wilfried Minks' new production [illegible] Chekhov's The Cherry Orchard, in [illegible] new German translation by Andrea Clemen. [illegible] Michael Bogdanov's production of Shakespeare's [illegible] Juliet. Sun: first German production of Brian [illegible] Dancing [illegible] Lughnasa. Alan Ayckbourn's [illegible] Friends, in a new production [illegible] by Ulrike [illegible] is being given [illegible] series of morning and [illegible] performances [illegible] Kampnagel [illegible] the [illegible] weeks, starting [illegible] on Fri [illegible]

■ LEIPZIG

[illegible] Masur [illegible] the Gewandhaus [illegible] the bicentenary of Mozart's death tomorrow with [illegible] in the [illegible], featuring the Requiem and the Piano [illegible] No 27, with soloist Michael Schönheit (7132 [illegible] Lothar Zagrosek [illegible] Die Zauberflöte at the Opernhaus on Fri, [illegible] Eva Marton sings the title role in Tosca on Sat (7168 273)

■ NEW YORK

MUSIC AND DANCE

[illegible] **State Theater** [illegible] City [illegible] opens [illegible] Christmas production [illegible] The Nutcracker, daily except [illegible] till Jan 5 (870 5570)

Metropolitan Opera [illegible] with a [illegible] by Leona Mitchell, Lando Bartolini, James [illegible] and Paul Plishka. [illegible] Tomorrow: Entführung [illegible]

THEATRE

● Beggars in [illegible] Plenty: John [illegible] Shanley's play [illegible] place [illegible] 30 years in [illegible] history [illegible] a [illegible] family where [illegible] brothers [illegible] adapt differently [illegible] their [illegible] hostile and hard-edged manner (City [illegible] Stage II, 131 [illegible] 55th [illegible] 7907)

● Park Your Car in Harvard Yard: riding with Jason [illegible] and Judith Ivey [illegible] for [illegible] relaxing outing as they [illegible] in a two-character play by Israel Horovitz, focusing on [illegible] relationship [illegible] an irascible retired high-school [illegible] and [illegible] feisty live-in housekeeper. [illegible] by [illegible] Caldwell (Music Box, [illegible] 45th St, 239 6200)

● Dancing [illegible] Lughnasa: [illegible] original Dublin Abbey Theatre [illegible] in Brian Friel's play set in Donegal in [illegible] (Plymouth Theater, [illegible] 45th St, [illegible]

● The Crucible: a [illegible] production [illegible] Arthur Miller's play. Previewing, [illegible] Tues (Belasco Theater, 111 [illegible] St, 239 6200)

● Ticketron answers inquiries and [illegible] tickets (246 0102)

■ ROME

Teatro Olimpico Tomorrow at 21.00, [illegible] stars in [illegible] evening [illegible] mime. Also Fri, [illegible] and Sun (3234 [illegible]

[illegible] **dell'Opera** Tonight at 20.30, Vladimir Fedosseyev conducts the Orchestra [illegible] Teatro dell'Opera in Stravinsky's Firebird, Tchaikovsky's Francesca da Rimini [illegible] Prokofiev's Second Violin Concerto, [illegible] Boris Belkin. Repeated [illegible] and Fri (488 3641)

■ STOCKHOLM

Royal Opera 19.30 [illegible] Lake in a production by [illegible] Conus, [illegible] and Mon. Tomorrow: [illegible] performance [illegible] Mozart's opera Il [illegible] pastore. Fri: Daniel Börtz's new [illegible] The Bacchantes. [illegible] Thurs: Ingvar Wixell sings the title [illegible] in [illegible] new production [illegible] Simon Boccanegra (248240)

[illegible] Leonard Slatkin conducts [illegible] Stockholm Philharmonic Orchestra in John Corigliano's [illegible] on [illegible] Ostinato, Beethoven's [illegible] Symphony and [illegible] Prague Symphony and [illegible] Funeral Music, [illegible] tomorrow. Sun: Georg Solti conducts a gala concert with Kiri te Kanawa. Mon: song [illegible] by Anne [illegible] (244130)

Berwaldhallen 12.00 [illegible] Kamu [illegible] the [illegible] Symphony Orchestra in a lunch concert featuring Mozart's Fifth Violin Concerto and Crusell's Concertante for clarinet, bassoon, horn [illegible] 3. Fri [illegible] 19.30: [illegible] Kamu conducts the Crusell and Mahler's arrangement for [illegible] String [illegible] op 131 (784 [illegible]

European Cable and Satellite Business TV

(all times CET)

[illegible] TO FRIDAY

CNN

[illegible] Moneyline

1230-1300 Business Morning

[illegible] Business Day

[illegible] Business Today – [illegible] joint FT/CNN production with Grant Perry [illegible] Colin Chapman

[illegible] Business Today

0100-0130 Moneyline

Super Channel

[illegible] Business View

[illegible] Business Insiders

[illegible] (Tues) [illegible] Europe Report – weekly indepth analysis from FTTV

[illegible] (Wed) FT Business Weekly - global business report [illegible] James [illegible]

[illegible] (Thurs) Talking [illegible] - international [illegible]

Sky News

[illegible] International Business Report

1130, 1730, 2130, 0430, 0530 (Thurs) FT Business Weekly

[illegible]

CNN

[illegible] Moneyline

0900-0930 World Business This Week - [illegible] joint FT/CNN production

1540-1610 Moneyweek

1900-1930 World Business This [illegible]

[illegible]

Super Channel

1800-1830 FT Business Weekly

Sky News

1330, 1630, 2030, 0030, 0230 FT Business Weekly

[illegible]

1900-1930 World Business This [illegible]

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 [illegible] Telex: [illegible] Fax: 071-407 5700
Wednesday December 4 1991

Major and the social charter

IT [illegible] long been evident that social policy will be one of Mr John Major's [illegible] problems at the Maastricht summit.

Ever since Mrs Thatcher, in December [illegible] refused [illegible] sign the EC [illegible] charter, it has been an [illegible] of Downing Street [illegible] that implementing it would amount to "socialism by the [illegible] Delors". Having fought for every trench in ministerial council, Britain now [illegible] a flanking manoeuvre [illegible] bring [illegible] of EC employment policy within the zone of qualified majority voting, thus ripping the [illegible] its hinges.

Mrs Thatcher [illegible] right [illegible] much of what is proposed in Brus[illegible]. The EC may [illegible] stopped worrying about Eurosclerosis, but [illegible] still has, compared with key competitors, a [illegible] labour market [illegible] whose ability [illegible] import flexibility, via immigration, [illegible] under challenge for [illegible]. It [illegible] pre-eminent importance, [illegible] munity grapples with [illegible] nomic convergence and [illegible] rigidities of [illegible] exchange rates, that it does not also saddle itself with labour market rules so tight that [illegible] in economic performance express themselves increasingly as unemployment. An over-regulated EC labour mar[illegible] means [illegible] members [illegible] cannot [illegible] on the [illegible] of cheaper labour [illegible] and [illegible] harder [illegible] more marginal workers – the young, less-skilled and [illegible] who [illegible] only able [illegible] part-time – [illegible] jobs [illegible] all.

There are a number of reasons, however, why the UK's lone stand may no longer be [illegible] way [illegible] prosecuting this [illegible] of which [illegible] most obvious is [illegible] it will [illegible] succeed in Maastricht. Mr Major [illegible] a deal; he [illegible] one if [illegible] upon a blocker's charter [illegible] on all social questions save [illegible] pertaining to health [illegible] safety.

Positive reasons

But [illegible] are also more positive reasons [illegible] stance. [illegible] constructively [illegible] in [illegible] debate is more likely to [illegible] evolution: good pointers [illegible] the [illegible] UK has fought [illegible] the [illegible] and the [illegible] of competition policy.

From the inside, Britain's objective would be to secure a framework of minimum standards individuals should be [illegible] to expect in the labour market of an advanced econ[illegible] – very much the "instrument embodying European aspirations" Mr Delors spoke of in launching the social charter. At the same time, Britain would also be in a better position to promote measures to enhance labour market flexibility – such as mutual recognition of qualifications and transferability of pension provisions. From the inside, it may [illegible] to [illegible] drift from a charter [illegible] "equitable wages" towards a job-killing EC-wide minimum [illegible].

House delinquent

If [illegible] not [illegible] the [illegible] delinquent, Britain [illegible] find [illegible] on a case-by-case [illegible] council, making [illegible] question of [illegible] qualified majority versus unanimous voting less critical.

Mr Major's aim at Maastricht should be to accept an exten[illegible] of majority voting in return for [illegible] precise treaty [illegible] to [illegible] community's ambitions. This approach would [illegible] curtail [illegible] commission's [illegible] for [illegible] in important social [illegible] under [illegible] ner [illegible] health [illegible] safety in order to sidestep a British [illegible]. Debating working hours, [illegible] ministers did yesterday, as if they are a health and safety [illegible] only constitutionally disingenuous; it [illegible] an atmosphere of alarm inappropriate [illegible] the subject [illegible].

In principle, [illegible] no [illegible] why [illegible] EC [illegible] should [illegible] worker should be forced to [illegible] than, [illegible] hours a week, and, equally, [illegible] worker should be prevented from [illegible]rcising his freedom to [illegible] so. This would have [illegible] effect [illegible] stating [illegible] guideline, while leaving member [illegible] free to [illegible] it into [illegible] law and practice. The same goes for the managerially desirable goal of encouraging companies to communicate with their workers.

It is time for Britain to look the bogeyman of the social action programme in the eye and say: "boo!"

Takeovers, Euro-style

THE EXCESSES [illegible] takeover boom [illegible] 1980s [illegible] no great [illegible] for the Anglo-Saxon market in corporate control. But the [illegible] talks [illegible] continental European tyre [illegible] Pirelli and Continental does [illegible] suggest these things are handled better elsewhere.

After the announcement this week of Pirelli's retreat, excess capacity in the tyre market will continue to be a nagging problem for leading companies in the industry both in and out of Europe. [illegible] combatants [illegible] the [illegible] acrimonious courtship [illegible] the employees [illegible] good reason [illegible] about [illegible] employers [illegible] taking them.

As [illegible] shareholders, the battle has revealed once again the high price that minorities are often obliged [illegible] for their participation in markets dominated by insiders. It was a long [illegible] dirty fight from which [illegible] emerged with credit.

The case that is [illegible] a German-style capital market [illegible] on the assumption that [illegible] of pressure from predators' [illegible] provides a more helpful climate for long-term [illegible] in which banks, related firms and employees all play [illegible] constructive part.

There is a predisposition in Germany to place emphasis on product quality and market share rather than shareholder [illegible]. Dividend payout levels tend to be around a third of those that apply in Britain; and the evidence suggests that German companies are far more inclined to cut the dividend in hard times than to reduce capital investment.

Great merit

Whether this system, in which ownership and control rests in most cases with insiders, is quite as consensual as it is sometimes made out to be is a moot point. Its great and widely acknowledged merit is that the banks will stand by their clients in bad times and play a more active part in corporate restructuring than their Anglo-Saxon equivalents. The drawback [illegible] it appears to deliver slow [illegible] ineffective answers to problems of overcapacity [illegible] industrial decline, especially when compared with Japan.

The German steel industry is one obvious case in point. Another is tyremaking. It took an inordinate time for Continental to restore its fortunes and dividends in the 1970s; and its performance more recently, after an acquisitive growth spurt in the 1980s, suggests something [illegible] than alacrity in dealing with problems in [illegible] US and European markets.

Active market

[illegible] it, [illegible] more active market in corporate [illegible]trol might appear to have something to offer here. And it may be that Krupp's recent market raid on steel and engineering group Hoesch will offer a better example in this respect than the Pirelli-Continental saga. But the restricted voting arrangements and large family shareholdings that prevail across much of the German stock market mean that less than 10 per cent of German quoted companies are estimated to be vulnerable to outside bids.

Community legislation is admittedly pushing slowly in an Anglo-Saxon direction on this score. Yet it remains far from clear that the British takeover system offers a better model for handling problem companies or industries. Even though most British quoted companies are, in effect, up for auction to the highest bidder daily, those companies that would most benefit [illegible] change of ownership and control do not necessarily fall under the hammer. And where takeovers do take place, the academic evidence does not [illegible] that improved performance usually follows.

The [illegible] for continental Europeans to borrow from the English speaking countries is arguably stronger in relation to the treatment of minorities. Shareholders are the residual risk-takers in all these systems. But for Pirelli to deny that it was indemnifying its concert partners against a fall in the value of Continental shares, only to reveal huge losses on just such an operation this week, is taking the principle to blind extremes. On this evidence, the dismal reputation of the Italian stock market is richly deserved.

John Lloyd says Ukrainian independence is the end for Gorbachev

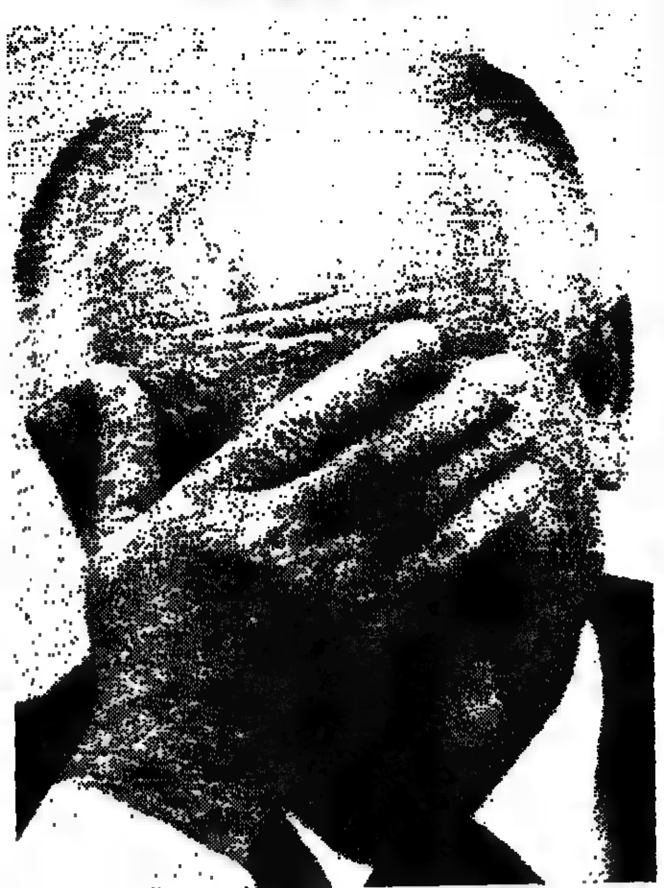
USSR RIP

I[illegible] there was a day [illegible] which the Soviet Union could really be said [illegible] have ceased [illegible] exist, it [illegible] yesterday. On that day, the result of [illegible] Ukrainian election struck home [illegible] the world and to the states of the former union. Any notion that recognition of the new republic of the Ukraine would be withheld in favour of continuing support for the "centre", and [illegible] President Mikhail Gorbachev, disappeared. Mr Gorbachev himself appeared [illegible] nationwide television to warn [illegible] "catastrophe" if the disintegration already under way were to take place. Even India, long a loyal friend [illegible] the Soviet Union, announced it was establishing direct [illegible] with [illegible] Soviet republics [illegible] of "increasing problems in mutual relations" with the centre. In Havana, President Fidel Castro said gloatingly that [illegible] witnessing [illegible] catastrophe in the Soviet Union. It [illegible] our duty not to [illegible] something that [illegible] not needed by anyone".

Mr Gorbachev's appeal to the republican parliaments to sign the union treaty, repeated on television last night, used the same, inflated language as did his foreign minister, Mr Eduard Shevardnadze and his "prime minister" (chairman of the Inter-republican Economic Committee), Mr Ivan Silayev. All have warned of coups, inter-republican and inter-ethnic conflicts on a grand scale, even the threat of nuclear exchanges. Economic disaster is treated as so obvious it hardly needs to be mentioned. It is hard to see how much more blood-curdling they can be in their pursuit of the union treaty – now agreed in principle (but not even initialled) by only seven of the 12 republics, and awaiting ratification by the parliaments to whom Mr Gorbachev directed his appeal.

It will fall on ears already deafened by such rhetoric over many months, and on legislators who, in many republics, regard the union as something to flee from. The Ukraine is in the first flush of its independence, has recognition from Canada and will get it from the [illegible] and [illegible] western European [illegible]. Moldova and Georgia pursue their own, increasingly tense and (in Georgia's case) bloody routes to independence. And while the other states may be prepared to give grudging assent to a confederation, they are now being forced into an independence they do not want by the actions of Russia; the republic that is much the biggest in the disintegrating union has embarked on its own course of economic reform using what is left of the central institutions as its levers.

Foreign experts working with the new Russian government, headed by President Boris Yeltsin, say they are shocked by [illegible] extent to which Mr Gorbachev has disappeared from the day-to-day [illegible] of [illegible] "[illegible] hardly exists," said one yesterday. Away from the kindly support of fellow presidents such as Mr George Bush or Mr François Mitterrand, Mr Gorbachev appears shrunken, his appeals a thin wall against a howling wind. Even the supportive Mr Nursultan Nazarbayev, newly elected as president of Kazakhstan, said on Monday that Kazakhstan was prepared for full autonomy if the union could not be made to hold.



Gorbachev, maker of history: nothing to look forward to

This is a pity, for Mr Gorbachev's warnings are more than mere rhetoric. It is clear that the Soviet Union stands on a terrifying precipice and – given [illegible] size [illegible] arms – it could [illegible] much down with it if and when it falls. [illegible] second, perhaps better executed coup [illegible] unlikely only because of the [illegible] sion which would presumably have [illegible] be organised if [illegible] coup leaders tried – as the last ones did – to restore the powers and authority of the union. Yet such leaders could take their text from Mr Gorbachev himself. If the present scale and speed of disintegration is really leading to the consequences which he forecast last night, if the rest of the world is now in the kind of danger which he says it is, then it would not just be a patriotic duty to restore order, but an "internationalist" one as well, in the proper sense of that word.

How likely is it that we will see a man or men on white horses, riding in to save the Soviet Union from implosion and explosion? Mr Gorbachev, in an interview with Literaturnaya Gazeta, said that "perhaps they are even organising one [a coup] now" – and speculated that it would come from the military-industrial sphere, or from the now formally banned Communist party. In his briefing yesterday, Mr Andrei Grachev, the presidential press spokesman, spo[illegible] of the danger of the army "becoming the instrument of unconstitutional political forces which may be revived".

The military is in a febrile state. There has been no post-coup purge of any dimensions: officers who were sympathetic to the aims of the coup remain in place, or have been moved sideways. Not yet able to cope with the effects of being pushed put of central and eastern Europe, it faces demands from a number of republics – the newly independent Baltics, but also Ukraine, Georgia and Azerbaijan – that it hand over its bases and property on their territory and push off. On Monday, Mr [illegible]cius, chairman of the Lithuanian Supreme Soviet, ordered an immediate transfer of assets from the armed forces to his republic and suggested it was no longer compulsory for the Lithuanian authorities to supply military bases with water. He was speaking after the adoption of a law on "the unlawful possession by Soviet armed forces of property on the territory of the Lithuanian republic".

Mikhail Gorbachev has not been able to escape the iron law of politics – that every politician's life ends in failure

[illegible]is is courting conflagration, and the army, cowed since the coup, has begun to answer back. Two weeks ago, a statement from the ministries of defence and internal affairs warned that any attacks on bases, anywhere, would be fought off with the use of force, a line which contradicted the earlier emollience of Mr Yevgenny Shaposhnikov, the defence minister, and suggested that he is not fully in control.

The question of control – as Mr Gorbachev put it last night, the crisis of the state – underlies everything. The evaporation of power at the centre has not meant that it has passed to the republics. Even the apparently dominant figure of Mr Yeltsin is now being challenged, (though so far not frontally) by his own vice-president, Mr Alexander Rutskoi.

Mr Rutskoi, opposed to rapid price liberalisation and favouring a crackdown on rebellious Russian republics, displays an itch for the kind of authoritarian populism which Mr Yeltsin has been accused of in the past but has in fact rarely shown. The man most often seen as an alternative Russian president, Mr Anatoly Sobchak, mayor of St Petersburg, is now under fire in his own city; he and his wife are accused of luxurious living as the city grinds by on ration cards. Mr Sobchak, in Paris this week on an official visit, said that he was helpless before the activities of the mafias who control the markets.

In other republics, leadership is either driven by a still surging nationalism, as in the Baltics, Moldova, Georgia and now Ukraine; or it is in the grip of the old communist bosses repainted, as in Central Asia and Azerbaijan. This last is a state of affairs which gives stability, but only so long as new forces – especially Moslem groups, with which the old communists are seeking to ally themselves – are too weak properly to challenge them.

Winter has officially begun this week. The weather, mild for Russia, begins to turn colder, the snow begins to lie. The queues are longer, food more scarce, the volume of complaint much louder. Serious clashes, with loss of life, now [illegible] daily in Azerbaijan, Armenia, Georgia and Moldova. In Moscow and other cities, Soviet citizens from [illegible] republics, distinguishable by their darker skins and Asiatic [illegible] are [illegible] as thieves and [illegible] and told [illegible] go back [illegible] their independent states.

The tense, nervous man who appeared on Soviet television last night to talk of catastrophe was Mr Mikhail Gorbachev, Man of the Decade, Nobel Prize winner, maker of history. He has not been able to escape the iron law of politics – that every politician's life ends in failure. Indeed, he has come to be dominated most mightily by the huge forces he has set free. It is a personal, as well as a national, tragedy. The rest of the world now hopes it will not become an international one – and wonders what to do.

Marxism yesterday

Malcolm Rutherford on a magazine whose time has passed

The final issue of Marxism Today, known until very recently as "the theoretical and discussion journal of the Communist party", appears this morning. As had become its wont, it is a glossy affair with articles by intellectuals such as Mr Eric Hobsbawm and Mr David Marquand and farewell tributes by Sir Peregrine Worsthorne, the former editor of the Sunday Telegraph. You can probably buy it at WH Smith, which indeed is where the magazine made its breakthrough on to the respectable bookstands in 1980.

Not too much significance should be read into its departure. Mr Martin Jacques, the academic-turned-editor, says that its demise became inevitable with the collapse of communism. No one wanted to read a paper called Marxism Today any more, he claims. Certainly Mr Jacques had long ceased to want to edit it.

He has had perhaps an even harder time than some of his best friends knew. In the early 1980s he considered running for general secretary of the British Communist party. He was a post-1968 entrant; that is, after the Soviet invasion of Czechoslovakia. Without Marxism Today, he says, there might have been virtually no British Communist party in the 1970s to speak of. What interested him was Euro-communism and the attempt by national parties, notably the Italian, to loosen the shackles with Moscow and move towards political pluralism.

In the early 1980s there was a specifically British challenge. The left was disintegrating into fundamentalists and revisionists. Marxism Today joined the debate on the side of the latter, opening its pages to interviews with politicians of all hues. One of the last and best was with Mr Chris Patten, the chairman of the Conservative party.

Nevertheless, the paper was more a *succès d'estime* than a lasting contribution. It was much talked about, but the number of copies sold never rose above 15,000 a month on an annual basis. Circulation began to fall with the events in Tiananmen Square. Marxism Today, as Mr Jacques admits in a final article, had no answers to the questions it raised. It probably took "Thatcherism" more seriously than most Conservatives, but could find no "ism" to put in its place.

Mr Jacques himself had problems with the Communist party hierarchy throughout, far more than ever emerged in public. He was attacked again and again for not encouraging party members to write for the magazine. Naive [illegible] it may sound, he says that he did not know until very recently that the British party had long been directly financed from Moscow. He finally gave up his membership last summer. To have gone earlier, he has always argued, would have attracted undesirable publicity along the lines "Marxist editor quits party".

In the end, all that may be no more than an historical footnote to British politics in the 1980s. In another way, however, the passing of the magazine is a matter for regret. Marxism Today is not the first intellectual publication to go under in recent years.

New Society, first edited by the liberal Tory, Sir Timothy Raison, merged with the New Statesman and has practically disappeared within it. The Listener was abandoned by the BBC in its pursuit of economies. If you think that is a small matter, ask yourself where you might now expect to see the text of the Reith Lectures, once a hallmark of intellectual life. The old Third Programme talks disappeared long ago.

Last year Encounter disappeared as well. That was in many ways the most significant loss of all. An English language intellectual monthly, it was as likely to be read in Japan and the mid-west of the US as in Britain. Some debates – such as Anthony Crosland on the future of socialism or Nancy Mitford on "U" and "non-U" – might never have taken place in such a lively form without it.

Encounter folded for lack of funds. It was almost saved at the last minute by an American institution which then backed out because there was not even a small financial contribution forthcoming from Europe. Marxism Today wound up because it was an idea whose time had past. The two magazines had completely different ideologies, yet they had one thing in common: they were papers for which intellectuals could write freely, not necessarily at great length, but longer than they could in a newspaper and reaching a wider public than through an academic journal.

Some of the literary reviews, such as the New York Review of Books and the revamped Times Literary Supplement, try to plug the gap. But there is a limit to what can be done in book review form, and large numbers of subjects will now go uncovered in the traditional form of the intellectual magazine for general readers. The main sufferer will be politics in its widest sense. Writers like Mr Hobsbawm and Mr Marquand have lost their outlets. One wonders who will pick up the baton and create a new international Encounter Today.

OBSERVER

Waiting in the wings

■ One of Downing Street's grandest appointments, special adviser to the prime minister on foreign affairs, is to go to Sir Rodric Braithwaite, the modest, musical diplomat who has been ambassador to the Soviet Union since 1988.

Number 10 has kept its plan secret as, strictly speaking, the job of special adviser is to "lapse" at the general election. But if John Major wins, Sir Rodric – who retires in May – has been lined up to take over from Sir Percy Cradock, the China specialist who has done the job for over five years.

It is all part of a planned revamp of the PM's team. When Mrs Thatcher was in charge, Sir Charles Powell, her private secretary, behaved like a foreign policy supremo. But this is a role that Stephen Wall, Major's private secretary, has shown no relish for.

Sir Rodric could find himself inheriting some of Sir Charles' influence. His achievement, even in Foreign Office terms, is more than usually remarkable. The least pushy of diplomats, he will find himself whispering in John Major's ear as soon as the UK assumes presidency of the European Commission at the middle of next year.

Also, he will become one the select few to bypass the strict FO retirement-at-60 rule. Sir Nicholas Henderson was pulled from retirement in 1979 to go to Washington; but a better precedent for Sir Rodric is Sir Anthony Parsons, who became the PM's adviser on foreign affairs after retiring in 1982.

Dynamo Ken

■ Plenty of British parents will sympathise with Kenneth Clarke's bid to roll back the child-centred education revolution launched by the publication of the Plowden Report in 1967. But estimable though the education secretary's objectives are, it does seem some[illegible] perfunctory to give the report team just [illegible] months to complete their work. Lady Plowden's committee took [illegible] years to reach their conclusions, no doubt one reason why they were so influential on education professionals.

It also seems strange that the future education of Britain's tots should be left to three men – especially given the prime minister's declared intention of bringing forward more women in senior positions in the public service. Or does Mr Clarke believe that women like Lady Plowden are too soft for the nation's good?

Eastern promise

■ Just how far the Brits lag behind the citadel of technological innovation – Japan – is established by a glimpse of the hit products in the two countries. Whilst personalised *karaoke* sets are among the more popular items for the person who has everything (save dignity, perhaps) in Romford this year, they come nowhere on this past year's fave raves in Tokyo.

You have to go back to 1982 to find *karaoke* sets mentioned as popular buys, when they fell behind soy milk, deluxe instant noodles, mini skirts and personal computers in [illegible] hit list.

While luxury beer, Italian restaurants and disposable cameras came in the Japanese top 20 in 1990, this year's more popular joys have included recycled paper and goods, banana-based food and drinks, luxury chocolates and mini-drinks for hangovers. With some 60 per cent of Japanese men over 20 drinking alcohol every day, Rohto Pharmaceutical's hair-of-the-dog tonics notched up Y500m (£2.17m) within four months of launch this year, doubling initial projections.

Presumably the boom in personal fax sales – some 1.5m will be bought by Japanese in 1991 – will help out those who find the pick-me-up insufficient for a quick start to the busy working day.

"I dreamt Kenneth Baker resigned and replaced Terry Wogan"

Open up

■ No one seems [illegible] remember if Lord Hanson and his team have ever held a public press conference, rather than a private briefing. Today, Britain's seventh biggest company, employing over 80,000 people worldwide, will publish its full year results and as usual it passes up a golden opportunity to explain itself to the [illegible]ld at large.

No doubt there are good reasons why Hanson feels it better to communicate in private with the press and the investment community. For a start, a public press conference would probably be hijacked by lots of irritating questions about corporate governance, race horses and such like, diverting attention from the success of the group's underlying businesses.

Nevertheless, among the dozen biggest companies in Britain, only Hanson and Guinness, do not have an annual press conference on their results. Perhaps they should, if only to convince people that they have nothing to hide.

Big companies should be able to put up with the occasional silly question.

Final offer

■ Anybody interested in buying a second hand sports car from the president of Argentina?

Carlos Menem is trying to unload a flashy Ferrari 348 and is considering any offer over $100,000. Menem was given the car a year ago by Italian businessmen wanting to do deals in Argentina. He couldn't understand what the fuss was all about when the press demanded he donate the car to charity.

But now he has changed his mind and agreed to auction the car and give the money to an unspecified good cause. The only trouble is the price. When he first tried to sell the Ferrari in May, no one felt like paying the $120,000 reserve price for a car worth only $70,000. This time he is aiming lower, setting a minimum of $100,000.

Bids by one o'clock tomorrow please, to Banco la Ciudad de Buenos Aires, Calle Esmeralda,660.

Question time

■ Thought [illegible] the day. If you ring the European Commission's London office on 071 973 1992 (geddit?) and ask for the information department, you are politely told that it takes questions only between 2pm and 5pm.

Perhaps it just reflects the low level of British interest in the EC. But Observer suspects not.

هكذا من الأصل

PERSONAL VIEW

The tough questions we must all answer at Maastricht

By Helmut Schmidt

The number [redacted] meetings during the past 24 months [redacted] which European leaders and foreign ministers have contemplated the future of Europe is almost uncountable. The labels were different, but the persons have remained more or less the same – and so has the oratory. Many of them ought to be reminded of Shakespeare: "I [redacted] time, [redacted] now doth time waste me." Next week they meet again at Maastricht. Will they once more waste time and effort, or will they make urgent and necessary decisions?

The British [redacted] choice to make between the European currency unit (Ecu) and the D-Mark. If [redacted] opt [redacted] European monetary union [redacted] a single [redacted] within the common market, they will have a very good chance to develop the City of London as one of the world's most important financial centres. They would also be able to draw on the vast future pool of German capital – in Ecu.

If [redacted] the other hand they opt to say "to hell with the absurd idea of replacing sterling by the Ecu" and maintain their monetary sovereignty, they may at first feel happy about bravely resisting Franco-German pressure. But then, in a decade, the British will wake up to the fact that any importance of sterling will have evaporated. This will be either because the Ecu will have become, in its global importance, equal to the dollar (and ahead [redacted] yen); or, even worse for [redacted] British, because the D-Mark will have become by far the dominant currency in Europe, leaving little [redacted] financial business in other European currencies [redacted] autonomous monetary policies elsewhere in the EC. Even more than it does today, the Bundesbank will by then direct monetary policy purely on the basis of German interests.

The French, Dutch, Italians, Poles, Hungarians and all the rest are [redacted] with a clear choice. On the one hand they can opt for progress in European political integration – where the latest accord on a Franco-German army corps is a step in the right direction. On the other, they can choose to hesitate – and find that Germany, in 10 years, is too powerful [redacted] neighbour to handle. If the [redacted] happens, it will prove [redacted] development almost impossible [redacted]

The Germans, as well, have [redacted] to make. It is over the nature of European political union. The political [redacted] in Germany is aware of the qualms of all our neighbours.

In order to allay the concerns of our neighbours, German leaders want to have their own country closely integrated into the European Community. But in calling for a fully-fledged political union, the Germans are asking for more than the French – and much more than the British – are prepared to agree. It is understandable that Chancellor Kohl has tried to stipulate a positive decision on political union as a *conditio sine qua non* for his agreeing to monetary union. But if he sticks to that condition, he will wreck [redacted] Emu and Ecu. So in Maastricht, Mr Kohl will have to make his choice. The Chancellor's statement in the Bundestag last week preparing parliament for a relatively modest treaty on political union indicates that he is moving in the right direction.

The flood of events in Europe over the last two years has perplexed and confused west European leaders who, understandably, had not been prepared to deal with fundamental changes of this kind. The time has now come for them to face the facts – and confront possible dangers [redacted] The political [redacted] nomic collapse of the Soviet Union is endangering the three Baltic republics, Poland, Czechoslovakia, Hungary and others. They need shelter and support. The Community will have to accept them as future member states. It is therefore desirable to associate them

Schmidt: 'a clear choice'

with the Community and unilaterally to open our markets for their produce, to allow their manufacturing industries to adapt to open competition in quality and prices.

Long before full membership of these new sovereign democracies, the Community will have to accept full membership of Austria, Sweden, and Finland (as well, probably, as Norway and Iceland). Within 15 [redacted] the Community will probably [redacted] of 24 [redacted]

We have [redacted] whether [redacted] prefer [redacted] the Community [redacted] deepening [redacted] institutions, [redacted] we should intensify the Community before [redacted] goal [redacted] impossible. [redacted] plainly choose the latter. I am not talking of additional regulations for flowers and corks; I am talking of a move to a single currency. A so-called common market with 11 currencies would be a very uncommon [redacted] economic history. It would [redacted] wasting the chance to create proper economies of scale, and would result in the Community remaining inferior to north America, and even to Japan.

The Dutch government's proposal for monetary [redacted] not well suited to [redacted] along this path. Most of [redacted] more than [redacted] pages contain superfluous complications [redacted] compromises for [redacted] of national prestige. The worst of it is the lack of a fixed date for the ultimate introduction of the Ecu as the only European legal tender, and the invalidating clause under which any country may opt out before reaching the ultimate phase. Such a phoney agreement is not worthy of ratification. It is necessary that those countries which are willing to commit themselves firmly at Maastricht should introduce the single currency by January 1 1997.

In the area of defence, the disappearance of the threat of armed conflict between an imperialist Soviet Union and the west has opened up the [redacted] for smaller confli[redacted] inside the former Soviet territories and in the Balkans. They may spill over into other European countries. On top of such dangers, it is unlikely that the Gulf war marks the end of a chain of six major wars in the Middle East since 1945.

All these risks make [redacted] sary that the Atlantic alliance retains some military muscle. But the US is likely to concentrate much more than in the recent past on its neglected domestic needs. More than in the past, the European democracies will therefore have to prepare their own defences. The Western European Union during the 1990s will have to be combined with the European Community, of course within the Atlantic alliance; the Franco-German corps may become the nucleus of this future European force.

It is possible that the great statesmen at Maastricht will indeed take the right decisions to shape our common future. It cannot however be excluded that they will simply haggle and squabble, exploiting the usual summit TV opportunities and end up approving agreements committing themselves to nothing. Then we will have to regard them not as statesmen, but purely as mediocre politicians. If they want a motto for Maastricht, they must turn to Shakespeare: "We must take the current when it serves, or lose our ventures."

The author was German Chancellor from 1974-82

Robert Mauthner

The persistent odd man out

A more integrated Europe, not an eroded sovereignty, is what Britain should be seeking

FOREIGN AFFAIRS

Britain's [redacted] ness [redacted] continuing process of European unification [redacted] has been, to outsiders, one of the most incomprehensible features of its post-war history. It has been a member of the European Community since 1973. Yet too frequently during the last 20 years, its attachment to the Community has appeared so reluctant that other member countries have asked themselves why the British wanted to join in the first place.

Contrary to the general perception in the UK, it has not been successive British governments' questioning of this or that common policy or regulation which has most upset Britain's partners. With hindsight, even the French government has come to recognise that British insistence on reforming the Common Agricultural Policy was not only justified, but urgently required to restore some semblance of sanity to the Community's finances, let alone international trade in farm products. Equally, in the run-up to the Maastricht summit, Britain's objections to specific aspects of the proposed treaties on monetary and political union might have been treated with more sympathy if its fundamental attitude to European unification had not been in doubt.

Seen from the Continent, successive British governments, with the notable exception of that of Mr Edward Heath, who took the UK into the EC, have failed to make a clear political commitment to European integration. Internal dissent over Europe within the ruling party, [redacted] present, repeatedly appears capable [redacted] undermining the basic political [redacted] in favour of progressive European unification, made at the [redacted] when [redacted] signed the Treaty [redacted] Moreover, national [redacted] continues [redacted] measured almost entirely according [redacted] criteria relating [redacted] independence [redacted] sovereignty, [redacted] than in terms of the benefits to the nation and its people, which could be derived from a pooling of sovereignty.

The rumpus over the use in the draft treaty on political union of the phrase "federal goal", as [redacted] description [redacted] the objective towards which the Twelve should be heading, is a case in point. In order to pla[redacted] the nationalist "anti-European" wing of his own party, Mr John Major, the prime minister, [redacted] the term should [redacted] dropped [redacted] the preamble to the treaty. Yet it is generally recognised that the word "federal" has a different connotation in Britain than it has in some other European countries. [redacted] is interpreted in [redacted] different [redacted] easily [redacted] "a [redacted] goal" without in [redacted] committing [redacted] much-abhorred bureaucratic "super-state". All that it would be doing would be to [redacted] a process, [redacted] end product of [redacted] could just [redacted] easily be [redacted] highly-devolved [redacted] as [redacted] highly-centralised [redacted] government. Indeed, [redacted] Kohl [redacted] only [redacted]

Britain could easily subscribe to 'a federal goal' without in any way committing itself to the abhorred bureaucratic 'super-state'

[redacted] "we [redacted] in no [redacted] want [redacted] Europe in which everything is regulated by a central [redacted]".

It is this failure by Britain to recognise publicly the irreversibility of the process of Euro[redacted] unification that has complicated [redacted] negotiations leading up [redacted] week's Maastricht conference, as much [redacted] disagreements over [redacted] single currency, an independent European central [redacted] and [redacted] foreign [redacted] policies. Ever since Britain [redacted] from [redacted] European Coal and Steel Community in the early 1950s, the [redacted] have fundamentally misunderstood, or seriously underestimated, the [redacted] continental Europeans to create a new order which would put an end to the fratricidal wars between them. The final objective has always been essentially political. Jean Monnet, [redacted] eminent of [redacted] European Community's founding fathers, realised that the political goal could [redacted] reached only on [redacted] basis of [redacted] high degree of economic integration. A customs union and a single market have never been considered [redacted] end [redacted] the road.

[redacted] is normal that France and Germany, [redacted] continental powers that [redacted] suf[redacted] most from intra-European quarrels and military conflict, and [redacted] smaller and more vulnerable [redacted] Holland and Belgium, should feel the need for [redacted] [redacted]ly integrated Europe more acutely than Britain. In [redacted] immediately following [redacted] War, some justification could still be found for the belief that Britain, as one [redacted] principal [redacted] of [redacted] wars, could do things [redacted] on [redacted] own than in tandem with [redacted] stantly [redacted]uabbling Europeans. Yet subsequent developments, both in Britain and the Community, [redacted] given [redacted] lie [redacted] traditional British [redacted]

The economic prosperity [redacted] by [redacted] members of [redacted] EC and [redacted] ability to [redacted] single unit in international trade negotiations [redacted] already given [redacted] Community [redacted] place [redacted] world [redacted] no [redacted]um-sized nation like France, Germany or Britain could aspire to on its own. Recognising its growing political as well as economic cohesion, the US has elevated [redacted] Community [redacted] of [redacted] major negotiating partner. It has [redacted] a pole [redacted] racies in [redacted] Europe, [redacted] much by [redacted] pect of becoming part of [redacted] integrated political system which would guarantee their security, [redacted] by [redacted] economic benefits which membership could bring them. [redacted] it is one of the ironies that the enlargement [redacted] the Community, which has been [redacted] strongly advocated by Britain, [redacted] likely [redacted] require [redacted] extension [redacted] majority voting for joint decision-making, rather than the dilution [redacted] supranational powers which the British government would like [redacted] see.

The British government [redacted] not necessarily wrong [redacted] demand that progress towards further unification should proceed [redacted] a more moderate [redacted] than [redacted] headlong rush advocated by the [redacted] ardent integrationists. To mention but [redacted] vital issue, it was clearly unrealistic [redacted] – as the European Commission did in [redacted] original proposals on political union – that fundamental foreign and [redacted] policy decisions should be [redacted] by majority vote at this [redacted] the Community's and individual member states' development. But Britain's proposal that its right to opt out [redacted] a single [redacted] – which [redacted] now virtually been conceded by [redacted] partners – should [redacted] extended to all Community members [redacted] just [redacted] kind of demand which [redacted] other governments feel that Britain [redacted] scuttle [redacted] whole Emu project.

Being "at the heart of Europe", [redacted] use [redacted] John Major's phrase, certainly does not [redacted] every proposal [redacted] further monetary [redacted] political integration, made [redacted] by [redacted] majority [redacted] other member [redacted] It does, however, require [redacted] than [redacted] purely negative [redacted] What [redacted] lacking [redacted] British [redacted] are constructive [redacted] tions on [redacted] European unifica[redacted] can [redacted] forward. A government [redacted] has [redacted]stantly complained about [redacted] democratic control [redacted] Community's executive [redacted] ted, [redacted] come up [redacted] imaginative proposals for [redacted] enhanced [redacted] for the directly-elected [redacted]

[redacted] all, [redacted] people [redacted] a [redacted] and prosperous Community, [redacted] firmly integrated, [redacted] Britain's true [redacted] interest than the [redacted] servation of sovereignty in [redacted] where it has already [redacted] substantially eroded. [redacted] is highly regrettable that [redacted] foreign policy priorities have so far [redacted] reversed, at [redacted] in the way they [redacted] been [redacted] to the public.

LETTERS

BA and cabin crew talks

From Mr Robert Ayling.

Sir, I refer to your report, "BA flights face disruption as cabin crews vote for action" (December 3). I wish to make it clear that British Airways is currently involved in discussions on new working and pay agreements with the British Airlines Stewards and Steward[redacted] Association (TGWU), which [redacted] about half [redacted] 10,000 [redacted] and we are confident [redacted] reaching a [redacted]isfactory conclusion.

Less than half the TGWU members who were balloted have voted in favour of mass meetings. As you reported, the ballot result was 2,070 in favour: 564 against. More than 2,000 of those balloted did not vote.

Of more significance is the fact that the proposals under discussion [redacted] particular those relating to maximum [redacted] times on long-haul) [redacted] been recommended [redacted] acceptance by Cabin Crew [redacted], the union which represents [redacted] vast majority [redacted] long-haul [redacted]

We do not expect any disruption to our services during the present discussions which centre on improving operating and working practices for the benefit of passengers, the airline and British Airways employ[redacted]

Robert Ayling,
director of marketing and operations,
British Airways,
Heathrow Airport
Hounslow TW6 2JA

Yield ratio: fairly crude, but valid, indicator

From Mr Adrian FitzGerald.

Sir, Messrs Dunlop and Warburton (Letters, November 26) question "the significance of the yield ratio as a guide to anything important". Moreover, they find it "tempting to conclude that the absolute value [redacted] the yield [redacted] meaningless".

Their first complaint appears to be that the yield ratio does not relate to the total returns on gilts and equities. This is not the case. The expected total return on equities depends on dividend yield and future dividend growth. Investors look for this return to exceed the total return (redemption yield) on gilts by a risk premium. Mathematically, it can be shown that the yield ratio is a function of both dividend growth expectations and the risk premium on offer in the market. Historically, a yield ratio of less than two has indicated that the prospective total returns from equities [redacted] available from [redacted] by a healthy premium. [redacted] yield [redacted] approaching, [redacted] above, two and [redacted] half has tended to indicate that growth expectations are too high and/or the equity risk premium on [redacted] is just not sufficient.

Undoubtedly, one must [redacted] in the sustainable [redacted] the ratio. But these shifts will be caused principall[redacted] b[redacted] significant changes in real dividend growth expectations, [redacted] by the [redacted] or technical supply/demand [redacted] suggested by [redacted] Dunlop [redacted] Warburton. A [redacted] of their argument, for example, is [redacted] "asset sales ... introduced huge [redacted] equity [redacted] for utilities and telecommunications, raising the dividend yield [redacted] the whole market". According [redacted] calculations, [redacted] yield on the equity market would fall by just [redacted] points from 5.09 per cent to 5.04 [redacted] to be [redacted]

[redacted] are much [redacted] sophisticated techniques for measuring risk premium availability. But let's [redacted] yield [redacted] hard. It [redacted] a fairly crude, [redacted]theless valid, indicator.

It is useful to reflect that it was common practice [redacted] pooh-pooh [redacted] yield [redacted] in the heady days [redacted] also [redacted] equity investors could [redacted] considerably [redacted] overall performance over the past five years by taking action at yield ratio levels below two and above two and a half.

It is right to question continually the significance of any market indicator. The answer in this case is that it remains a reasonably successful guide to things important.

Adrian FitzGerald,
Pomathorn Farmhouse,
Penicuik, Midlothian

Not far to look for answer to opera problems

From Mr Jeremy Isaacs.

Sir, Antony Thorncroft chided the Royal Opera House (*Arts: "A pox upon this ritual hand-wringing"*, November 30) for complaining that the increases in Arts Council grants to our three companies were at less than half the level of the increase passed on to the council by the Office of Arts and Libraries, and much less than was needed.

In the same paper, Andrew Clark ruefully pointed out ("Pop goes the opera") that our prices for opera – Arts Council grant for next year, £8.5m – are now the highest in Europe, and rising. Quite so. Low subsidy means high prices, and vice versa.

Mr Thorncroft, may I present Mr Clark?

Jeremy Isaacs,
general director,
Royal Opera House,
Covent Garden,
London WC2E 9DD

Benefit in kind?

From Mr Andrew Shaw.

Sir, The Court of Appeal has held that Mr Kenneth Baker, the home secretary, is personally responsible for contempt. He is to appeal and the taxpayer is to meet the cost of his actions. Will the Inland Revenue regard this as a benefit in kind and, if not, what new rules will consequentially apply to non-ministerial officers and others throughout the UK?

Andrew Shaw,
Loxford House,
Epsom,
Surrey

Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution

If there is doubt, the status quo should be upheld on trading

From Mrs Marian [redacted]

Sir, [redacted] Branson [redacted] Virgin (Letters, November 29), and Mr A J Askham, a lawyer, and Mr Jim Hodkinson, of B & Q (Letters, November 30), all show the frailty of their arguments by the language they [redacted] Branson, "Virgin megas[redacted] of its stores on Sunday [redacted] *we believe* (my italics) it is legal to [redacted] so"; Askham, "The [redacted] the [redacted] are [redacted] retailers *are advised* that [redacted] Sunday trading ban is inconsistent with European law and [redacted] is unenforceable. [redacted] that [redacted] finally resolved ..."; Hodkinson, "... it [redacted] *utterly* [redacted] whether [redacted] Shops Act has had any force since the UK acceded [redacted] Treaty [redacted] Rome".

If [redacted] doubt, [redacted] quo should [redacted] upheld [redacted] *point* [redacted] by [redacted] Court. This [redacted] a [redacted] death [redacted] involving [redacted] freedoms, [redacted] one might argue [redacted] new doubts [redacted] the previously accepted [redacted] it can be ignored in [redacted] achieve [redacted] justice.

Branson [redacted] cannot [redacted] their views [redacted] been denied a hearing; they can claim that exploiting doubt brings easy cash in hard times.

Marian Mollett,
[redacted] Emmerdale Road,
[redacted]
Surrey TW9 2DN

Argument for more regional autonomy

From Mr Neil Turnbull.

Sir, Mr Michael Blakey claimed (Letters, November 26) that regional government in the north-east would undermine the basis of support for the Labour party in the region because "voters in the region might begin to question whether some of the blame might lie locally".

As a supporter of north-east regional autonomy I wholeheartedly agree with this argument. What better argument could there be for a regional government than this? Devolving power to the regions would enable people in those regions to develop a more accurate picture of their economic future.

In my view the British regions are in dire need of such a large dose of reality and the debate about regional government in the north-east brings out this point quite nicely. Local autonomy and local responsibility are fundamentally related.

Neil Turnbull,
205 Eastbourne Avenue,
Bensham,
Gateshead,
Tyne and Wear

FINANCIAL TIMES

Wednesday December 4 1991

European Commission report claims manufacturers received $41bn government grants

US 'subsidised aerospace industry'

By Andrew Hill in Brussels and Paul Betts in London

THE EUROPEAN Commission has accused the [illegible] commercial aircraft industry [illegible] benefiting from "massive and systematic" government support worth up to $41bn over the past [illegible] years in a report [illegible] be released today.

The Commission asked the Washington legal firm of Arnold [illegible] to prepare the report [illegible] counter US allegations that the European Airbus [illegible] has [illegible] competition by receiving more than [illegible] worth of government subsidies since it was [illegible] 20 [illegible] ago.

Claiming US government [illegible] critical in helping [illegible] aircraft makers maintain their competitive position in [illegible] world market, [illegible] study will [illegible] by the EC to reject US complaints against Airbus.

The US [illegible] filed [illegible] complaints against the European aircraft programme with the General Agreement on Tariffs and Trade (Gatt). Washington [illegible] objected [illegible] German government [illegible] exchange rate support for Deutsche Aerospace, [illegible] consortium's German partner, and has filed [illegible] complaint against Airbus [illegible].

Separately, Brussels announced yesterday [illegible] Air[illegible] for the time being abandoned [illegible] plans [illegible] file [illegible] formal complaint against British Airways' commercial practice.

The consortium had publicly [illegible] UK [illegible] carrier of freezing [illegible] aircraft, and colluding with Boeing and [illegible] of the [illegible] buy their 777 airliners [illegible] GE90 engines [illegible].

[illegible] Commission [illegible] day it had [illegible] on the legality of the BA deals, although officials had already [illegible] privately [illegible] did not [illegible] EC competition law.

[illegible] Brussels report on [illegible] US [illegible] industry [illegible] to rekindle [illegible] transatlantic controversy [illegible] commercial aircraft [illegible].

[illegible] is also expected [illegible] use its findings [illegible] support [illegible] [illegible] in the Gatt.

The US [illegible] EC have failed to agree on [illegible] on government [illegible] new air[illegible], [illegible] demanding a [illegible] per [illegible] and the EC proposing [illegible] cent ceiling. [illegible] EC has [illegible] on [illegible] indirect support.

The new study [illegible] US commercial aircraft business [illegible] development grants from the US [illegible] department [illegible] Aeronautics [illegible] Space Administration (Nasa). The report [illegible] that the industry [illegible] received government support of [illegible] $18bn [illegible] $22bn [illegible] or [illegible] $41bn [illegible] on present currency values.

A large proportion of [illegible] subsidies were intended mainly for military research [illegible] development, but Boeing [illegible] Douglas, the [illegible] aircraft manufacturers, received [illegible] because of [illegible] overlap between commercial [illegible] military aeronautics technology.

But Boeing [illegible] night [illegible] European [illegible] try [illegible] heavily [illegible] funding. It said Boeing [illegible] received $39.9bn worth of military contracts during [illegible] 10 years, [illegible] the three [illegible] partners including [illegible] Aerospace, Deutsche Aerospace and [illegible]spatiale of France, had received [illegible] total [illegible] worth of military [illegible] during the same period.

Boeing [illegible] US government was [illegible] customer, [illegible] an underwriter [illegible] aerospace programmes. It claimed [illegible] government did [illegible] subsidise [illegible] industry through [illegible] contracts.

However, the report commis[illegible] by [illegible] EC claims up to [illegible] cent [illegible] of US Department [illegible] grants [illegible] of [illegible] to [illegible] commercial industry - equivalent in [illegible] dollar values [illegible] subsidy [illegible].

Aircraft-makers also received [illegible] Nasa, as part [illegible] programme. The report [illegible] Boeing [illegible] McDonnell Douglas benefited from [illegible] deferrals [illegible] exemptions [illegible] $1.7bn [illegible] $1.4bn respectively.

[illegible] report [illegible] probably [illegible] estimates, [illegible] other [illegible] cheap [illegible] and government pur[illegible] of [illegible] - [illegible] difficult [illegible] quantify.

[illegible] is understood to have [illegible] report from a US firm of consultants on indirect supports for the aircraft industry which has yet to be released.

Hard going at farm subsidies talks

THE EUROPEAN Community [illegible] US opened [illegible] in Brussels yesterday aimed at resolving their impasse [illegible] farm subsidies and rescuing [illegible] Uruguay Round trade talks from collapse, write William Dullforce in [illegible] Gardner in [illegible].

The discussions will continue today in The Hague but the first meeting had already shown that [illegible] would be difficult to find [illegible] compromise, EC officials [illegible] night.

The US was pressing hard for deeper cuts in export subsidies on cereals, beef and other farm products than the EC was prepared to concede.

President George Bush and Mr Ruud Lubbers, Dutch prime minister [illegible] EC president, agreed last week that a final effort should be made to resolve differences after US and [illegible] farm negotiators had failed to come to terms in Geneva on November 20.

Troubleshooters from [illegible] side, Mr [illegible] Lamy, chief aide to Mr Jacques Delors, the European [illegible] president, and Mr Robert Zoellick, under-secretary for economic affairs at the State Department, [illegible] brought in to provide the political punch.

In Geneva the two-day annual meeting of the [illegible] Agreement on Tariffs and [illegible] opened [illegible] muted atmosphere with the results of five [illegible] trade-liberalising hanging on the ability of [illegible] EC and [illegible] to resolve their [illegible] over [illegible] farm [illegible]dies

Mideast hostage crisis nears end

By [illegible] Marlowe in Beirut and Quentin Peel in Bonn

THE denouement [illegible] Lebanon's hostage crisis accelerated [illegible] view yesterday as Mr Alann Steen, [illegible] academic kidnapped in January 1987, walked [illegible] amid unconfirmed reports [illegible] Terry Anderson, the [illegible] US hostage [illegible] longest [illegible] any westerner in Lebanon, would be [illegible] today.

Mr Steen, who [illegible] handed over to US diplomats in [illegible] yesterday afternoon, [illegible] the second US hostage to be [illegible] 24 hours, after the [illegible] on Monday of Mr Joseph Cicippio.

Islamic fun[illegible] in Beirut, quoted by the [illegible] news [illegible] as having reliably predicted past hostage releases, said [illegible] Mr Anderson, the 44-year-old journalist [illegible] was captured in [illegible] 1985, would be released today.

The release of [illegible] Anderson, held by Islamic Jihad, [illegible] two German [illegible] workers, Mr Heinrich Struebig and Mr [illegible] Kemptner, as the [illegible] still held by [illegible]lem kidnap groups in Lebanon.

The German government expressed [illegible] determination yesterday that the [illegible] of [illegible] citizens should be [illegible] as [illegible] in line with those of [illegible] other Western hostages.

Germany [illegible] been resisting attempts by the hostage-takers to link [illegible] fate of the Germans [illegible] the [illegible] of the [illegible] Lebanese brothers, [illegible] Ali and Abbas Hamadi, jailed in Germany for murder and air piracy, and kidnapping, [illegible]tively.

Top-level [illegible] are expected to [illegible] place in [illegible] next [illegible] with [illegible] Iranian deputy foreign minister, Mr Mahmoud Vaezi, described by officials as "a key figure in hostage negotiations".

Tehran radio reported this [illegible] that the liberation [illegible] remaining western hostages was obtained by Mr Giandomenico Picco, the United [illegible] envoy, in [illegible] meeting in Damascus at the weekend.

Alann Steen (right) and Christopher Ross, US ambassador to Syria, leave the Syrian Foreign Ministry yesterday

Without Mr Picco's mediation it seems unlikely that the 52-year-old Mr [illegible] and seven other westerners would [illegible] been [illegible] since August 8, when Mr John McCarthy, the British journalist, was freed by Islamic Jihad.

Mr Picco's involvement in hostage negotiations became public [illegible] Islamic Jihad [illegible] a letter with Mr McCarthy, requesting UN mediation in August.

But [illegible] Italian diplomat's [illegible] may have started much earlier. He visited Syria [illegible] the time of Mr Brian Keenan's [illegible] August [illegible].

[illegible] close to [illegible] hostage-takers in [illegible] Iranian [illegible] Mr [illegible] well and like dealing [illegible] him: [illegible] was an [illegible] August 1988 Iran-Iraq [illegible].

The UN envoy is probably [illegible] only [illegible] who knows exactly what [illegible] and rewards have been promised [illegible] or by his Israeli, Le[illegible], Syrian, Iranian, American and German interlocutors.

The elements [illegible] hostage releases have fallen [illegible] a [illegible] pattern. Israel sum[illegible] the International Committee of [illegible] Cross to receive Lebanese prisoners from Khiam, then kidnappers [illegible] a [illegible] announcing [illegible] imminent [illegible] of a westerner.

The hostage is produced at the Syrian Foreign Ministry in [illegible] where [illegible] news conference to [illegible] the government of Syria, [illegible] the [illegible] of his incarceration and [illegible] the [illegible] of "all [illegible] unjustly detained in [illegible] Middle East".

German police raids target racist suspects

By Christopher [illegible] in Bonn

ONE MAN was [illegible] warrants were [illegible] for [illegible] after German police swooped on the homes of [illegible]pected [illegible] hooligans and [illegible] in 32 cities early yesterday.

The raids, [illegible] by the police from the former east German state of Saxony, also netted [illegible] quantities of weapons, including guns and [illegible], clubs and knives, as well as propaganda. More than 700 police were deployed in Saxony alone.

[illegible] operation followed [illegible] against foreigners, particularly asylum-seekers, [illegible] spread rapidly across the country after gangs besieged and fire-bombed an apartment block housing asylum-seekers in Hoyerswerda, north of Dresden, in September.

The operation's targets were 107 people, suspected [illegible] attacks on foreigners and membership of illegal organisations, who had been the subjects of 15 separate investigations. They were mainly members of loosely-organised skinhead gangs, within which a hard core of racist extremists is believed to have developed.

"The swastika and SS insignia are not fashion items," Mr Günter Hertweck, the Saxony state prosecutor, said. "They are the marks of unconstitutional organisations."

Almost all the raids – 90 out of a total of 114 – were carried out in the Saxon cities of Dresden, Zittau, Leipzig and Zwickau in the depressed industrial heart of former East Germany. Unemployment has reached around 30 per cent in [illegible] areas.

Although the number [illegible] against foreigners has fallen recently, [illegible] and international pressure for the government to clamp down is still strong. The tally of one arrest from yesterday's operation suggests the police face [illegible] in pinning [illegible] ringleaders and [illegible].

In spite of public [illegible] and xenophobia, there [illegible] inside Germany [illegible] rising tide of people seeking asylum. This year alone, some 200,000 are expected, the numbers boosted by re[illegible] from the [illegible] Yugoslavia [illegible]nomic hardship [illegible] in [illegible] Europe.

The [illegible] government has proposed regulations for hastening the processing of appeals for asylum, and wants camps to be established where asylum seekers can be more effectively protected than in isolated buildings.

New regulations, [illegible] 2

Maxwell crisis deepens

Continued from Page 1

being faced in the months [illegible] Mr Maxwell's death. MGN also lent an estimated £50m [illegible] the private companies [illegible] was floated in May.

The inter-company loans [illegible] not [illegible] until [illegible] on Friday, [illegible] investigation by NM Rothschild, the UK merchant bank appointed last [illegible] advise the private companies. Over [illegible] days, Crédit Lyonnais, [illegible] French bank, [illegible] chaired [illegible] meetings of a syndicate [illegible] banks [illegible] £2bn by MCC.

Bronwen Maddox and Peter Martin write: The UK government was still considering complaints against Goldman [illegible] dealings with Mr Robert Maxwell [illegible] month after appointing the investment bank [illegible] the US [illegible] shares in BT.

On [illegible] 17, Mr [illegible] Lilley, trade secretary, [illegible] letter [illegible] a private investor [illegible] had complained [illegible] Mr Maxwell's sale of [illegible] "put" [illegible] on MCC [illegible] Goldman [illegible] in August 1990. Mr Lilley's let[illegible] "The [illegible] remain under consideration by my officials."

Before Goldman [illegible] appointed [illegible] BT [illegible] in September, the Treasury's solicitors demanded [illegible] that it had [illegible] taken part in any action which [illegible] affect its ability to [illegible] the [illegible].

Last night [illegible] "We don't know that the matter [illegible] consideration, but we [illegible]gation."

UK wins 'federal' fight

Continued from Page 1

future [illegible] identity. But, as Mr Douglas Hurd, [illegible] UK foreign secretary, [illegible] night, there are [illegible] rough edges [illegible] be pared before Britain will be satisfied.

Mr Hurd [illegible] the treaty's [illegible] provisions [illegible] "preserve our main concerns", [illegible] though the relevant [illegible] European Union (WEU), [illegible] defence grouping in which nine EC countries participate in addition [illegible] their [illegible] membership, as [illegible] "integral part of the development of [illegible] European Union".

Britain, backed by Italy, had insisted [illegible] the WEU [illegible] come under control [illegible] European Council, and [illegible] role should be "consistent and compatible with the policies of the Atlantic Alliance," Mr Hurd said. [illegible] way the [illegible] now phrased [illegible], however, [illegible] towards Franco-German [illegible] for a clearer tie between [illegible] WEU [illegible] EC.

Mr Hurd said, nevertheless, that fundamental differences remained to be settled at Maastricht. He singled out social policy [illegible] "a very difficult question and I think it [illegible] very difficult [illegible] Maastricht". The question of majority voting on foreign policy is also unresolved, as [illegible] what Britain would regard as [illegible]quate safeguards for "vital [illegible]" in joint foreign policy making.

WORLDWIDE WEATHER

		°C	°F			°C	°F			°C	°F
Ajaccio	[illegible]	16	61	Berlin	C	1	34	Caracas	C	27	81
Algiers	F	17	63	Biarritz	S	13	55	Casablanca	F	18	64
Amsterdam	C	1	34	Bombay	S	30	86	Chicago	Sn	-3	27
Athens	F	[illegible]	54	Bordeaux	F	[illegible]	[illegible]	[illegible]	C	0	[illegible]
[illegible]	F	24	75	[illegible]	C	[illegible]	32	Copenhagen	C	4	[illegible]
[illegible]	F	[illegible]	[illegible]	Brussels	Dr	-1	30	[illegible]	S	14	[illegible]
[illegible]	R	11	52	[illegible]	S	2	36	[illegible]	F	[illegible]	[illegible]
Beirut	[illegible]	15	59	[illegible] Aires	C	27	81	Dublin	F	9	48
Belfast	C	8	46	Cairo	F	18	64	Dubrovnik	-	[illegible]	[illegible]
[illegible]	Fg	1	34	Cape Town	S	23	73	Edinburgh	S	8	46

		°C	°F			°C	°F			°C	°F
Faro	[illegible]	[illegible]	61	Islamabad	[illegible]	[illegible]	64	Madeira	F	18	65
Florence	[illegible]	[illegible]	[illegible]	[illegible]	F	7	45	Madrid	C	[illegible]	[illegible]
Frankfurt	C	0	32	Jakarta	R	30	86	Majorca	R	13	55
[illegible]	[illegible]	1	34	Jersey	C	3	37	Malaga	C	15	59
[illegible]	R	14	57	Johannesburg	F	24	75	Malta	R	14	57
[illegible]	C	[illegible]	[illegible]	[illegible]	F	[illegible]	72	Manchester	C	7	45
Helsinki	C	2	36	Lisbon	S	[illegible]	48	Manila	[illegible]	[illegible]	[illegible]
Hong Kong	F	22	72	London	[illegible]	8	46	Melbourne	F	[illegible]	[illegible]
[illegible]	S	-1	30	Los Angeles	S	9	48	Mexico City	C	25	77
[illegible]	S	10	50	Luxembourg	C	-1	30	Miami	[illegible]	24	75

		°C	°F			°C	°F			°C	°F
Milan	Fg	0	32	Nicosia	F	15	59	Salzburg	F	-1	30
Montreal	Sn	-12	10	Oporto	C	14	[illegible]	[illegible]	[illegible]	7	45
Moscow	F	1	34	[illegible]	[illegible]	-1	[illegible]	Seoul	[illegible]	[illegible]	[illegible]
Munich	C	-1	30	Paris	C	1	34	Singapore	R	28	82
Nairobi	[illegible]	25	77	Peking	S	[illegible]	[illegible]	[illegible]	S	2	36
Naples	[illegible]	15	59	Prague	C	-1	30	[illegible]	C	1	34
[illegible]	F	28	82	Reykjavik	C	1	34	Sydney	S	27	81
[illegible]	[illegible]	21	[illegible]	[illegible]	S	12	54	[illegible]	C	[illegible]	72
New York	R	7	45	Rio de Janeiro	C	[illegible]	[illegible]	[illegible]	C	[illegible]	50
Nice	S	13	55	Rome	[illegible]	[illegible]	[illegible]	[illegible]	T	18	65

		°C	°F
Tenerife	S	19	66
Tokyo	S	16	61
[illegible]	Sn	-5	23
[illegible]	R	12	54
[illegible]	R	[illegible]	[illegible]
Venice	S	5	41
Vienna	C	[illegible]	[illegible]
Warsaw	C	0	32
Washington	Dr	7	45
Zurich	C	0	32

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet [illegible]

THE LEX COLUMN

Maxwell under the hammer

[illegible] from the [illegible] acquiring [illegible] kind of [illegible] momentum. Two days [illegible], it [illegible] dubious goings-on in [illegible] pension funds; [illegible] it is £300m [illegible] previously undisclosed loans from [illegible] public companies [illegible] private side. The conflict [illegible] interest which produced the resignation [illegible] the Maxwell [illegible] enough. [illegible] public company directors, they [illegible] responsible [illegible] huge loans [illegible] private [illegible] without [illegible] knowledge [illegible] either their shareholders or, apparently, [illegible] bankers.

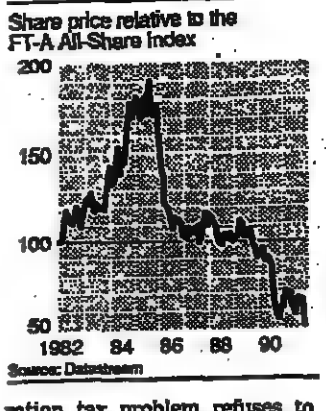
In other respects, Mr Kevin Maxwell's replies [illegible] yesterday [illegible] dispiriting. [illegible] not [illegible] whether the [illegible] private [illegible] from [illegible] Group [illegible] or [illegible] what [illegible] would [illegible] on [illegible] public companies' pension funds [illegible] private [illegible] were to collapse. On [illegible] borrowed from [illegible] pension [illegible] by [illegible] private [illegible] pledged [illegible] against further loans, [illegible] only refer vaguely [illegible] of interest.

[illegible] increasingly possible [illegible] private [illegible] will go under. If [illegible] pocket [illegible]. The whole [illegible] elling [illegible] fast [illegible] hard to put [illegible] residual value [illegible] Mirror, [illegible] MCC. [illegible] when [illegible] shares of either [illegible] suspension, [illegible] shareholders are going to have a lively time of it.

FT-SE Index: 2,420.2 (+5.3)

Trafalgar House

Share price relative to the FT-A All-Share index



Source: Datastream

Trafalgar House

Yesterday's full-year [illegible] Trafalgar [illegible] versatility [illegible] accountants when [illegible] going [illegible] tough. A mere 20 [illegible] cent slip in pre-tax profits to September [illegible] respectable enough. Add up [illegible] long [illegible] balance sheet write-downs [illegible] a different picture starts to emerge. Most telling [illegible] the [illegible] that shareholders' funds – [illegible] by a £300m rights issue – finished [illegible] £80m [illegible] than they started.

It was the [illegible] warning, though, which took [illegible] by surprise [illegible] knocked 13 per cent off the value of the [illegible]. Markets [illegible] invariably cross when they [illegible] wrong-footed; but always assuming boardroom pri[illegible] does not [illegible] in the way, it is hard to [illegible] with [illegible] logic [illegible] a cut. Trafalgar's cash position may be good, but [illegible] could [illegible] five [illegible] before [illegible] current payout is [illegible] covered, [illegible] the advance corporation tax problem refuses to go away. Surplus ACT is now approaching £100m, including £40m netted off against [illegible] tax – an [illegible] presupposes [illegible] UK [illegible] profits [illegible] approach the [illegible] mark.

The challenge for the market, now that dividend expectations have been shaken, is gauging the flow of future earnings. For all its quality and positive cash flow, the construction and engineering division is a late cycle business, not to mention the remaining risks in Davy. Property, shipping and hotels must go up in the long run. But while residential property can be run for cash, the size of the investment needed to turn commercial property into profits is hard to quantify. The shares are likely to be friendless for a while yet.

Ultramar

The response [illegible] Lasmo's final bid [illegible] Ultramar yesterday was curious. Ultramar shares fell by more than 9 per cent to close well below the value of the increased bid, so the market has clearly decided against [illegible] likelihood of an auction. Although Lasmo improved its terms with a dash of cash, the fall in the market since the bid was launched means it is barely higher in absolute terms. But one wonders whether institutions are now nervous enough of equities in general to accept the partial cash offer as the best way out of a difficult corner. If so, Lasmo will doubtless consider itself fortunate to acquire Ultramar cheaply [illegible]ugh to avoid dilution of [illegible] value per share.

That raises the wider question of asset values in the oil exploration sector. It is significant that Lasmo has not had to [illegible] Ultramar's own valuation of its upstream assets. But the implication has been clear enough: if there are no cash buyers, [illegible] are meaningless. Ultramar may be untypical because of its poor management [illegible]ord, but its demise at [illegible] near one-third discount to asset value would have worrying implications for the likes of Enterprise, whose shares on that basis still trade at a premium.

Junk bonds

Sometimes market memory seems short indeed. With over $1bn in new issues last week alone, junk bonds are back in fashion in the US. But this time it is not a case of indiscriminate investors being lured into financing irresponsible mergers. Moody's rating [illegible] reckons two-thirds of this year's new issues have been top quality junk compared with just [illegible] of [illegible] launched [illegible] and [illegible]. Lower long-term rates have encouraged original issuers to refinance their debt, usually extending its maturity as well. That [illegible] a welcome way of unwinding the excesses of the 1980s.

The upward sloping yield curve helps make [illegible] paper [illegible] looking to improve returns. But though such investors [illegible] than the inexperienced savings and loans institutions who were stuffed before, they should still remember that any yield premium implies additional [illegible]. The [illegible] economy is a particular threat to cyclically sensitive companies like Inland Steel. There is good reason why it must pay 500 basis points over Treasury bonds, more than double the premium offered by Chiquita Brands.

Economic recovery could carry [illegible] as a re-opened junk bond market could again become [illegible] ready source of merger finance. A warning sign would be companies adding new debt through junk bonds instead of just refinancing old borrowings. If that happened, holders of high-grade corporate debt should start to [illegible] again.

BT sale

The government's [illegible] that it [illegible] to [illegible] political embarrassment of an unduly lavish premium on the BT sale comes too late for most retail investors. It is conventional for it to offer bribes to get privatisation issues away. It is novel for it to seek to avoid paying up after the event.

FINANCIAL TIMES
COMPANIES & MARKETS
©THE [redacted] TIMES LIMITED [redacted]
Wednesday December 4 1991

INSIDE

Brent Walker fees amount to £43m

Brent Walker, the [redacted] UK leisure group, yesterday revealed that its attempts to avoid receivership had cost it [redacted] ($76m) in [redacted] lawyers, accountants [redacted] merchant banks. The company, formerly headed by Mr George Walker (left), gave details of [redacted] costs along with news of interim pre-tax losses of £134m. The new management believes that profits disclosed [redacted] were "materially overstated" [redacted] that no attempt had [redacted] made [redacted] what they [redacted] been. Page [redacted]

Calming the copper turmoil

The London Metal Exchange yesterday [redacted] formal action [redacted] turmoil threatening [redacted] out [redacted] hand in [redacted] "flagship" copper market. Mr Yasuo Hamanaka, senior Sumitomo Corpo[redacted] manager, [redacted] by [redacted] London Metal Exchange traders as [redacted] single most powerful man in [redacted] market, [redacted] yesterday: "It [redacted] not our intention [redacted] manipulate the market [redacted] keep our customers happy and at the same [redacted] make money." Page 28

Tearing down the barriers

A [redacted] free-for-all in [redacted] financial [redacted] industry is about [redacted] start. Within [redacted] next few weeks, parliament is likely [redacted] approve [redacted] package of four [redacted] which will tear down many [redacted] the [redacted] that [redacted] financial institutions in four [redacted] compartments – banks, [redacted] companies, [redacted] underwrit[redacted] and securities firms. Page 21

Swift and sure

The only sound associated with the electronic [redacted] of several thousand billion [redacted] day [redacted] the [redacted] is the background hum [redacted] high-speed computers at heavily guarded [redacted] Netherlands and the [redacted] by Swift – [redacted] Society for Worldwide Interbank [redacted] Telecommunications. It is [redacted] publicity-shy and security-sensitive institution, with headquarters [redacted] from public view. [redacted]

Infusion for Argentina

Argentina's [redacted] exchange, the fastest growing in the [redacted] this year, will [redacted] a hefty infusion this month [redacted] in the country's first privatised company begin trading. About [redacted] privatisation issues [redacted] expected to hit [redacted] Buenos [redacted] exchange [redacted] coming years. Back Page

Small decline [redacted] UK brewers

Bad [redacted] charges contributed [redacted] marginal decline in first-half pre[redacted] profits [redacted] King, the [redacted] brewer. Page 26

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)				**[redacted] (FFr)**			
Rises				**[redacted]**			
Continental	208	+	[redacted]	Air Liquide	[redacted]	+	[redacted]
Rosenthal	239.5	+	9.5	Essilor	[redacted]	+	9.9
Falls				Havas	437.8	+	[redacted]
Beiersdorf	600	–	[redacted]	Sagem	1639	+	[redacted]
Hapag Lloyd	495	–	[redacted]	**Falls**			
Lindner	500	–	[redacted]	Bouygues	[redacted]	–	11.4
Preussag	310	–	6.5	[redacted]	[redacted]	–	14
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
AT & T	36½	+	⅛	Kinki [redacted]	[redacted]	+	[redacted]
Falls				Matsuzakaya	1920	+	170
IBM	91¼	–	1	Morozoff	[redacted]	+	110
Glaxo	28⅞	–	⅛	[redacted]	[redacted]	+	46
Oracle Systems	12⅞	–	1½	Toa Paint	[redacted]	+	100
[redacted]	24⅛	–	2⅞	Toyo Sanso	[redacted]	+	180
Unisys	5	–	⅛				
LONDON (Pence)							
Rises				[redacted] Saphir	62	–	[redacted]
AlliedColloids	180	+	14	Lonrho	200	–	[redacted]
Creighton's Nat	160	+	20	Mid&Scot Res	[redacted]	–	[redacted]
[redacted]	101	+	[redacted]	[redacted]	183	–	10
Glaxo	809	+	30	[redacted]	275	–	10
Smith [redacted]	[redacted]	+	14½	[redacted]	[redacted]	–	42
SmKlBeechamA	789	+	20	[redacted]	34	–	[redacted]
Yorks Chems	[redacted]	+	[redacted]	Steetley	[redacted]	–	14
Falls				Trafalgar Hse	177	–	[redacted]
[redacted]	[redacted]	–	9	Ultramar	290	–	30
[redacted]	79	–	19	UniChem	177	–	[redacted]
[redacted]	119	–	9				
Higgs & Hill	83	–	10				

Top executives of US group to join board of troubled Japanese affiliate

GM tightens grip on Isuzu management

By Steven Butler in Tokyo [redacted] Kevin Done in London

GENERAL Motors of the US, [redacted] world's leading vehicle maker, is tightening its grip [redacted] the management of Isuzu, [redacted] Japanese affiliate, [redacted] part of a restructuring of the [redacted] in which it has a 37.4 per cent [redacted]

Mr Donald Sullivan, [redacted] director of strategic planning at [redacted] Chevrolet-Pontiac-Canada group, [redacted] become [redacted] vice-president responsible [redacted] corporate planning, manufacturing [redacted] engineering. Mr Philip Murtaugh, vice-president [redacted] Japan, joins [redacted] Isuzu board.

Mr Hiromichi Matsuka, an executive director of Dai-Ichi Kangyo Bank, Isuzu's main creditor bank, is to become a senior [redacted]

They [redacted] up their posts [redacted] shareholders meeting [redacted] January.

As part [redacted] management shake-up, Mr Kazuhira Seki, vice-president, has been appointed president, the company's [redacted] executive officer, while Mr [redacted] Tobiyama, [redacted] president, will become chairman.

Mr Tobiyama [redacted] Mr [redacted] in charge of establish[redacted] strategic management policies [redacted] product development.

[redacted] reorganisation [redacted] a sharp deterioration in Isuzu's financial performance. In October Isuzu increased [redacted] of its operating [redacted] in the [redacted] to the [redacted] of October [redacted] Y44bn ($330m), from [redacted] in June [redacted] Y29.5bn. [redacted] the company made [redacted] operating profit of Y9.7bn. The company [redacted] expected [redacted] make [redacted] loss of Y47.5bn.

Isuzu has been hit by weak [redacted] in Japan, poor exports, and the [redacted] value [redacted] the yen. [redacted] difficulties underline the prob[redacted] by small Japanese [redacted] companies in making the capital [redacted] to compete with bigger competitors.

Isuzu mainly makes commercial [redacted] four-wheel-drive leisure utility vehicles. [redacted] operations lack the scale [redacted] competitors.

Isuzu [redacted] GM [redacted] agreed to help boost its exports. In addition to an annual [redacted] 1.5 litre [redacted] engines imported by GM Europe for [redacted] small Opel Corsa/Vauxhall Nova, GM Europe will begin importing 30,000 1.7 litre turbo diesels [redacted] year for its Opel Astra/Vectra [redacted] Vauxhall Astra/Cavalier ranges. In the US, GM will increase annual imports of Isuzu-made transmission units from 90,000 [redacted] 160,000.

An Isuzu reconstruction announced in June involved transferring several hundred office [redacted] into domestic dealerships and boosting exports through GM.

Dresdner may shift futures contracts from Liffe

By Tracy Corrigan in London

DRESDNER Bank, Germany's second-largest bank, [redacted] considering pulling [redacted] of the London International Financial [redacted] Exchange, just before [redacted] new premises [redacted] December 16.

An [redacted] Dresdner [redacted] Frankfurt [redacted] considering switching all its business [redacted] Termin[redacted] (DTB), [redacted] exchange, [redacted] of the heavy [redacted] of the bank's business in Germany.

[redacted] of Dresdner Bank [redacted] Frankfurt were [redacted] be discussing the issue in their regular weekly board [redacted] yesterday, and [redacted] unavailable [redacted] comment.

The [redacted] latest, [redacted] potent, sign [redacted] German [redacted] backing [redacted] DTB, [redacted] struggling [redacted] win back business from Liffe.

German [redacted] have already agreed [redacted] channel their Bund futures business through [redacted] DTB, in an effort [redacted] languishing year-old [redacted]

The volume of [redacted] futures contracts [redacted] on [redacted] DTB [redacted] surged over [redacted] past month, following an agreement between German banks [redacted] a minimum volume of contracts, believed [redacted] be around 2,000 [redacted] day [redacted] each bank.

However, it [redacted] unclear whether the increased volume represents greater interest among investors [redacted] cross-trading by dealers.

Earlier [redacted] year, the exchange [redacted] a designated marketmaker system, and in August [redacted] on [redacted] futures [redacted] trading [redacted] removed.

[redacted] four other German members: DG Bank, Deutsche Bank, [redacted] Landesbank and Westdeutsche Landesbank.

The volume generated by Dresdner, [redacted] DG [redacted] plummeted [redacted] past few months, according [redacted] other [redacted] traders, [redacted] they have pulled [redacted] back to Frankfurt.

"Deutsche Bank decided [redacted] much business [redacted] possible through the DTB to stimulate business [redacted] that contract," said Mr John Lake, managing director [redacted] Deutsche Bank Capi[redacted] Markets.

However, Deutsche will [redacted] increasing its activities on [redacted] in other areas, particularly gilts futures, when [redacted] becomes a gilts marketmaker [redacted] year.

Alice Rawsthorn and William [redacted] on a flotation of fashion

Dior hopes its new look will captivate the Bourse

When the [redacted] swept along the [redacted] of Mr Christian Dior's salon on [redacted] Avenue Montaigne on February 12 1947, [redacted] they wore breathed new life [redacted] dowdy [redacted] of post-war Paris.

[redacted] "New Look" turned the [redacted] Mr Dior into one of the world's most famous designers and reinforced Paris as the centre of the world fashion industry....

It is [redacted] much to hope that today's flotation [redacted] his fashion house, [redacted] Dior, [redacted] breathe [redacted] same sort [redacted] life [redacted] the [redacted] Paris [redacted] – it is [redacted] a fish in [redacted] corporate pool.

The company, which will be capitalised [redacted] ($2.3bn), is [redacted] shares, 6.1 per cent of the equity, for sale to the public in [redacted] and placing another [redacted] internationally at 14.6 times historic earnings.

But the flotation is important because [redacted] and figures disclosed in Dior's documentation [redacted] glimpse into [redacted] world [redacted] fashion.

Dior has [redacted] an exception, acting out its dramas rather [redacted] publicly than [redacted] houses, although still revealing little [redacted] its finances. In 1957, for example, Mr Yves St Laurent, a 21-year-old assistant, took [redacted] Dior's death. By the early [redacted] he was suing [redacted] supplanting him with his [redacted] assistant, Mr [redacted] Bohan, and then used his [redacted] to [redacted] up his [redacted] house.

In the early [redacted] more publicity [redacted] Mr Bernard Arnault, the [redacted] French industrialist, salvaged Dior from the bankrupt [redacted] empire.

[redacted] Arnault [redacted] Ms Béatrice Bongibault, [redacted] he brought in [redacted] managing director, [redacted] Mr [redacted] and hired Mr Gianfranco Ferre, the Italian designer. And earlier this year Ms Bongibault left Dior [redacted]ing the way for Mr [redacted] Vindry to join [redacted] director-general from [redacted] Marché [redacted] group.

In spite [redacted] all the publicity, Dior's finances have been shrouded in secrecy. Even the flotation prospectus does not make things completely clear.

Dior, like many other French companies, is part of a web of holdings and cross-holdings. Much [redacted] value comes from its ownership of a holding [redacted] controls 45.7 [redacted] cent of LVMH, [redacted] giant luxury goods [redacted] by [redacted] Arnault, which owns Louis Vuitton lug[redacted] Hennessy cognac as well as [redacted] Dior perfumes.

[redacted] LVMH holding provided FFr710m [redacted] Dior's FFr803m net profits last year (down from [redacted] in [redacted] an investment in Dior [redacted] a way of buying [redacted] in LVMH [redacted] by a [redacted] with sales of FFr732.6m last year from a string of licences, shops [redacted] a factory in [redacted] on the Loire.

Dior, like [redacted] fashion houses, depends on licensing income for much [redacted] sales. The [redacted] spectacles [redacted] sunglasses sold under its name – by Dior itself and licensees – [redacted] sales [redacted] FFr6.5bn last year, but generated fees [redacted] representing nearly half the turnover of the Dior [redacted] business.

DIOR COUTURE Consolidated results (FFr millions)	1987	1988	1989	1990	1991*	1992*
Sales	607	668	726	733	700	756
Operating profits	97	146	197	119	109	[redacted]
[redacted] profits	108	156	222	167	160	[redacted]
Net Profits	52	89.8	132	[redacted]	100	116

* [redacted] Source: [redacted]

For the past two [redacted] Dior [redacted] been weeding out its weaker licensees – [redacted] number of licences has fallen from 280 at the end of 1989 [redacted] 160 today – to strike a balance between making as much money [redacted] possible [redacted] name without jeopardising its "exclusivity".

This balance also involves continuing [redacted] finance [redacted] most exclusive area of high [redacted] which provides hundreds of pages of free publicity [redacted] the [redacted] coverage of the [redacted] collections, but [redacted] between [redacted] and FFr30m a year, according to [redacted] Arnault.

Mr Arnault [redacted] envisage the flotation changing [redacted] Dior is run. The issue is, [redacted] all, [redacted] allow existing share[redacted] shares, [redacted] raise money for the company.

The timing of the issue could scarcely be worse. Fashion houses have been hit by the economic slowdown and the swing [redacted] from the conspicuous consumption of the 1980s. They have [redacted] badly [redacted] by [redacted] instability of two important sources of [redacted] – [redacted] duty-free [redacted] during [redacted] war [redacted] US department stores scarred by leveraged buy-outs.

Cholet-Dupont, the [redacted] broker, forecasts a fall in pre-tax profits for Dior Couture from FFr167m in 1990 to FFr160m in 1991 against FFr222m in [redacted] But Dior has been keen to go public for [redacted] time.

And, although Dior's new designer, Mr Gianfranco Ferre, [redacted] have [redacted] dash [redacted] Mr Karl Lagerfeld at [redacted] Mr [redacted] Montana at Lanvin, he [redacted] attracted enough attention to help Dune, the new Dior perfume, outstrip its sales targets. [redacted] quite the New Look, but much more enjoyable than an ordinary day on the Bourse.

Financing haute couture costs Dior FFr20m-FFr30m a year

Visa to lift suspension on cards issued by non-bank organisations

By [redacted] Friedman in New York

VISA, a leading [redacted] card company, [redacted] a year-old moratorium preventing non-bank organisations issuing cards.

The decision by Visa, a consortium owned by banking groups, marks a radical change in a policy aimed at limiting the entry into the card market by department stores, industrial companies and other non-bank entities.

Visa's decision is expected to benefit consumers because of the wider choice likely to follow a rush of non-bank card issuers.

The Visa move could also [redacted] the [redacted] margins [redacted] traditional bank [redacted] cards such as Citicorp, [redacted] Manhattan and First Chi[redacted] already [redacted] and [redacted] have [redacted] facing a [redacted] by individual card-holders.

Last year's moratorium by Visa reflected [redacted] hold back industrial and commercial companies that were beginning to make inroads in the card market. A prime example was the success of a credit card issued by [redacted] Telephone [redacted] Telegraph (AT&T), [redacted] attracted more [redacted] with its Universal card. AT&T did not require annual [redacted] and [redacted] competitive [redacted] rates.

[redacted] non-bank groups [redacted] likely [redacted] offer cards [redacted] and [redacted] Electric. [redacted] already controls [redacted] services subsidiary [redacted] is seen by [redacted] bankers as a threat in the marketplace.

David [redacted] Visa's operations outside the US are [redacted] directly [redacted] by the American decision, but pressure [redacted] to build [redacted] Visa Europe to lift its policy of refusing banks owned by retailers as members.

Four UK retailers have banking licenses and could be interested [redacted] membership [redacted] Visa.

MasterCard International, [redacted] rival, said [redacted] night the lifting of the moratorium [redacted] mean the [redacted] more competitive, but it [redacted] no new applications from non-banking organisations since Visa introduced the ban.

UK aims to cut profit from BT sale

By Hugo Dixon [redacted] Roland Rudd in London

THE UK government aims [redacted] prevent [redacted] in this [redacted] BT sale [redacted] making profits as large as [redacted] in previous privatisations.

[redacted] plans to do this by fixing the level of the final instalment, [redacted] last [redacted] three, high enough [redacted] the price of [redacted] rising sharply [redacted] trading begins on Monday morning.

[redacted] particularly [redacted] in [redacted] run-up [redacted] general [redacted] avoid accusations that they [redacted] shares [redacted] cheaply.

Small [redacted] are paying [redacted] a share [redacted] instalment, giving them an inbuilt 15p advantage on the 125p being paid by institutional investors.

It had [redacted] expected [redacted] partly-paid [redacted] would [redacted] a [redacted] premium on Monday.

However, government [redacted] yesterday they were [redacted] avoid a "scandal" [redacted] would occur if the shares rose to 140p. Instead, it [redacted] to go [redacted] only a modest premium.

The intention [redacted] institu[redacted] make a [redacted] profit [redacted] small investors will make a larger one.

But this should be significantly smaller than previous government sales.

The higher the price paid in the third instalment, [redacted] lower [redacted] value [redacted] the partly-paid [redacted] which [redacted] Monday.

[redacted] government will today announce [redacted] institutions have [redacted] they have [redacted] and [redacted] price they are willing to [redacted] for [redacted]

Lex, Page 18

La Général mine group unveils restructure plan

By Kenneth Gooding, Mining Correspondent, in London

ACEC-UNION Minière, [redacted] non-ferrous metals business 82 per cent-owned by Société Générale [redacted] Belgique, yesterday unveiled [redacted] BFr2.4bn ($72m) restructuring programme which includes the closure [redacted] zinc [redacted] Overpelt in Belgium.

Mr Jean-Pierre Rodier, who took over as chief executive this year, [redacted] restructuring [redacted] and expected losses would [redacted] Acec-UM's net loss for [redacted] BFr4.9bn.

Last year the company, formed in [redacted] from [redacted] which produced [redacted] of Europe's biggest integrated metals businesses, made [redacted] BFr3.82bn net profit.

However, [redacted] restructuring would [redacted] an annual BFr1.2bn and cut out [redacted] from Overpelt, which were running at BFr500m [redacted] at present zinc prices. [redacted] said Acec-UM expected [redacted] "at full cruising speed" again in [redacted] when [redacted] on equity should [redacted] from the [redacted] of [redacted] per [redacted] in its component companies between [redacted] and [redacted] 11 per cent.

The group will cut about 1,000 jobs in Belgium, France and Sweden over the [redacted] months. Nearly 500 [redacted] will come from its smelter.

Mr [redacted] said Acec-UM, [redacted] world's biggest zinc metal pro[redacted] with capacity of [redacted] tonnes, would contribute to restoring the balance between supply and [redacted] in [redacted] zinc market by closing Overpelt early next [redacted], instead [redacted] in 1993, and by delaying the construction of a [redacted] smelter [redacted] Balen, Belgium, until 1995.

"Zinc consumption [redacted] not growing any [redacted] capacity [redacted] being built [redacted] other [redacted] and the market cannot take [redacted] new capacity," [redacted] said.

Overpelt's closure will remove 100,000 tonnes, [redacted] 2 [redacted] of [redacted] zinc metal [redacted]ply, he [redacted]. This represented about half the current world overcapacity.

Zinc [redacted] mainly [redacted] for galvanising steel. Prices have been affected by the steep drop in demand from the construction and [redacted] industries. [redacted] statistics from the International Lead & Zinc Study Group [redacted] that, in the [redacted] nine months of this year, zinc consumption fell by [redacted] per cent to 3.865m tonnes compared [redacted] months in 1990, while production increased by more than [redacted] per [redacted] to [redacted] tonnes.

Nearly all [redacted] surplus [redacted] been shipped [redacted] London Metal Exchange stocks, [redacted] it is highly visible and has depressed prices for [redacted] this year. Analysts [redacted]ed [redacted] night that further producer [redacted] would [redacted] the market [redacted] and boost prices.

Lasmo sweetens offer for Ultramar

By Deborah Hargreaves in London

LASMO, the independent UK oil exploration and production company, stepped up its efforts to acquire fellow oil company Ultramar yesterday by offering a cash [redacted] of 40 [redacted] a share to its all-paper bid, marking it up to £1.17bn ($2.07bn).

The City, however, was [redacted] appointed [redacted] the offer, [redacted] lacked any premium over the original bid, following the [redacted] drop in Lasmo's share price since the bid was launched.

Ultramar's shares tumbled by 30p in heavy trading to [redacted] the market expressed [redacted] scepticism [redacted] a counter-bid boosting the company's [redacted].

Analysts [redacted] that, in the absence [redacted] bid, Ultramar's shares would be trading much lower. Lasmo has given shareholders a choice [redacted] tional cash or paper in [redacted] form [redacted] 23 Lasmo shares for every 20 Ultramar shares.

If [redacted] opt [redacted] the cash option, gearing [redacted] the merged company will be [redacted] up [redacted] from 57 [redacted] – [redacted] pro-forma basis.

The higher gearing will put additional pressure on [redacted] company to [redacted].

"Lasmo must be [redacted] confident of finding [redacted] buyer for [redacted] downstream [redacted] or they wouldn't have [redacted] cash," said Mr Nick Clayton, analyst at Smith New Court.

Lex, Page [redacted]

Pirelli falls into a hidden chasm

LESS THAN 700km separate Milan, the [redacted] of Pirelli, the Italian cables and tyres group, from the Frankfurt headquarters [redacted] Deutsche Bank, Germany's biggest financial institution, which exerts [redacted] dominant [redacted] over the Continental tyres concern.

Yet, as Pirelli's abortive bid for Continental shows, the distance could be 10 times as great, given the misunderstandings and diverging business practices that largely explain why the transaction [redacted]psed.

Differing [redacted] practice also underlie the [redacted] criticisms of Pirelli by [redacted] of [redacted] shareholders, particularly [redacted] Italy. Selling [redacted] company's [redacted] has triggered [redacted] 30 per cent fall in its share price in [redacted] days.

Pirelli shareholders and the foreign analysts who follow the [redacted] have [redacted] enraged by [redacted] denials that [redacted] indemnities [redacted] its [redacted] in the Continental bid. [redacted] such indemnities, long [redacted]pected but finally revealed [redacted] Saturday, which account for the bulk [redacted] Pirelli's huge L670bn [redacted].

Once [redacted] byword [redacted] northern Italy's industrial aristocracy, the company [redacted] Continental [redacted] a sackful [redacted] mistrust.

Pirelli's problem in trying to [redacted] lay in being [redacted] clever and [redacted] same time. That apparently contradictory mixture may also serve as a stark les[redacted] trying [redacted] forge cross-border [redacted] in Europe.

Trying [redacted] clever for [redacted] good [redacted] evident in Pirelli's opening bid for Continental in September 1990. The proposal involved a convoluted structure in which Continental would effectively have had to issue a huge amount of debt to [redacted] via a reverse takeover of [redacted] group's Netherlands-quoted Pirelli Tyre [redacted] subsidiary.

> A seemingly contradictory combination of cleverness and naivety proved the company's undoing in its attempt to take over Continental, writes Haig Simonian

The plan, which critical bankers identified as bearing every mark of Mediobanca, the secretive [redacted] merchant bank, served only to antagon[redacted] Continental's management, then led by Mr Horst Urban. It did [redacted] get the deal off to a good start.

Yet hurting the [redacted]ment's [redacted] was probably of little importance to [redacted] Italians at [redacted], given their [redacted] was almost [redacted] dry.

[redacted] stemmed from [redacted] had [redacted] support [redacted] institutional investors in Continental, [redacted] by Deutsche [redacted] including the giant Allianz insurance [redacted]. It [redacted] cleverness [redacted] naivety.

The central figure in Pirelli's miscalculation [redacted] Mr Ulrich Weiss, [redacted] managing board [redacted]ber [redacted] Deutsche Bank, [redacted] both supervisory board chairman of Continental and [redacted] bank's board member responsible for Italy. Pirelli approached Mr Weiss, and clearly believed [redacted] was encouraging it to go ahead with [redacted] proposed merger. He has denied anything more than vague conversations with Pirelli.

Whatever [redacted] substance of those [redacted], Pirelli's [redacted] mistake, exacerbated by its reluc[redacted] listen to other advisers apart from [redacted], was [redacted] assume that what it believed was a nod of approval from Deutsche Bank would be tantamount to a cast-iron guarantee. "They thought they had been invited into the parlour by the right people", says one banker once close to the transaction.

But although an entrée into the "Salotto Buono" – the "good drawing room" of northern Italian busi[redacted] in [redacted] Pirelli and Mediobanca are virtual founder-members – [redacted] be adequate [redacted] Milan, [redacted] counts little in Frankfurt. "They couldn't understand it when the people they thought were their allies started turning round and acting like hard-nosed businessmen."

Such misunderstandings are surprising considering the image of both the company and Mr Leopoldo Pirelli, [redacted]man, [redacted] being [redacted] the most international of Italy's otherwise inward-looking big businesses.

Yet the differences that arose between Pirelli and its hoped-for German "allies" – which, according to Mr Pirelli, "lost the way" somewhere along the bid route – count as nothing compared with Pirelli's misunderstanding of investor reactions to the existence of the indemnities offered to its domestic allies.

For more than 14 months, the company denied any deal with the group of predominantly Italian supporters, led by Mediobanca, which had bought stakes in Continental to support the bid.

The legal situation regarding such a structure is unclear. "Concert parties" are forbidden in the UK, but they are acceptable in Italy. And there was no other way for Pirelli to get around Continental's 5 per cent shareholding limit.

Pirelli claims it did not expect the guarantees to be used – a reflection of the confidence it misguidedly put in its hoped-for German support. However, the indemnities have now sprung back embarrassingly in its face. Investors in the US, where legal action by shareholders is common, are most incensed.

So far, there is no word about plans to sue. Italian investors, long-grown used to [redacted] pacts and the poor [redacted] of minority investors, would probably find the suggestion absurd. Moreover, legal action in Italy, with its [redacted] judicial system, would be pointless. [redacted] foreign [redacted] may feel sufficiently [redacted], and hurt financially, [redacted] seek retribution.

Independence retained at Celatose

By [redacted] Rawsthorn in Paris

CELATOSE, France's sole baby's napkin manufacturer, [redacted] retained [redacted] independence with [redacted] appointment of [redacted] Michel Mignard [redacted] president.

The [redacted] for [redacted] time been in discussions [redacted] family, which has industrial interests in Columbia. [redacted] that they had withdrawn from negotiations with Celatose.

For [redacted] years, Celatose has struggled against multinational groups, notably Procter [redacted] Gamble, [redacted] the US, and Mölnlycke of Sweden, in [redacted] increasingly competitive European [redacted].

Celatose [redacted] into receivership in [redacted] but [redacted] returned to profit since [redacted] by Cogl, its holding company.

The company, which is still [redacted] significant player in own-label nappies, made profits [redacted] FFr50m [redacted] in 1990.

Procordia drugs arm to buy control of Pierrel

By Robert Taylor in [redacted]

KABI PHARMACIA, the pharmaceutical [redacted] of Procordia, the [redacted] conglomerate, [redacted] acquiring for SKr500m [redacted] controlling [redacted] by [redacted] Swedish company, Fermenta, [redacted] Pierrel, [redacted] pharmaceu[redacted] group.

[redacted] combination [redacted] and Kabi [redacted] existing subsidiary in Italy will form one [redacted] the [redacted] company's largest operations [redacted] its home base, with estimated annual [redacted] of SKr1.1bn.

As [redacted] of [redacted] acquisition, [redacted] Pharmacia will own [redacted] voting rights and 71 per [redacted] the shares in [redacted] Italian company. The deal [redacted] subject [redacted] approval from [redacted] Italian anti-trust authorities.

At [redacted] same time, the Swedish [redacted] also announced [redacted] wanted [redacted] form [redacted] strategic alliance with Zambon, the Italian pharmaceutical [redacted], and did [redacted] rule [redacted] group's involvement with [redacted] acquisition.

Mr Jan Ekberg, [redacted] president, [redacted] regarded [redacted] purchase [redacted] "long-term investment [redacted] great strategic importance" [redacted] in Italy [redacted] Europe.

Pierrel was acquired by Fer[redacted] in [redacted]. It [redacted] expected [redacted] make [redacted] profit, [redacted] financial items, of [redacted] year, [redacted]. In fact, [redacted] Italian [redacted] has [redacted] co-operating with [redacted] for [redacted] past 10 years, since it became [redacted] distributor for [redacted] number of [redacted] products.

Mr Giovanni Soro, Pierrel's president, [redacted] the deal. "I believe [redacted] merger will ben[redacted] all [redacted] parties concerned," he [redacted].

[redacted] Pierrel would provide strong market organisation for the [redacted] Italian concern, in return, would enjoy access [redacted] "an international marketing network, [redacted] attractive products and valuable competence".

Trafalgar warns on dividend

TRAFALGAR HOUSE, [redacted] engineering-to-shipping conglomerate, yesterday accused its co-stockbroker, Barclays [redacted] Wedd (BZW), of [redacted] to declare [redacted] conflict [redacted] interest relating [redacted] Trafalgar's [redacted] of [redacted] Davy Corporation, writes Roland Rudd in London.

The row came [redacted] Trafalgar's share price yesterday fell 26p [redacted] 177p after warnings [redacted] it may [redacted] be able [redacted] maintain [redacted] year's interim dividend.

This year's payout is maintained at [redacted] making a total of 18.4p.

Skopbank rescue could cost FM14bn

THE [redacted] of Finland is restructuring Skopbank, the country's [redacted] biggest commercial bank, by removing [redacted] largest risk [redacted] the [redacted] sheet, writes [redacted] Taylor.

[redacted] by [redacted] of Finland [redacted] September [redacted] control of Skopbank as [redacted] financial [redacted]culties mounted. It became clear yesterday [redacted] saving Skopbank could amount [redacted] FM14bn ($720m).

The central bank said [redacted] was impossible [redacted] estimate how [redacted] of [redacted]ing Skopbank [redacted] viability would be, until all [redacted] from [redacted] off. It added, however, [redacted] hoped the restructuring [redacted] would [redacted] implemented for [redacted] turn of [redacted] year.

The Bank of Finland said its holding company, Sponda Oy, would acquire, for a nominal amount, the share capital of the Sifo Group, part of Skopbank, and assume responsibility for FM1.92bn of loans granted to the group.

Sponda Oy is also bidding for most of the real estate owned by Skopbank, which totals FM4.45bn. On top of this, Solidium Oy, another Bank of Finland holding company, is prepared to acquire the outstanding loans granted by Skopbank and [redacted] subsidiaries [redacted] industrial [redacted], Tampella, to the value of FM3.4bn. [redacted] group holds [redacted] of Tampella's shares. Solidium Oy [redacted] prepared [redacted] convert around FM530m of that amount into Tampella [redacted] capital.

The Bank of Finland said that because of Tampella's per[redacted]ilous financial position, Skopbank would forego claims on Tampella to a value of FM1.5bn. It added, however, [redacted] despite this, Tampella would record a loss for 1991.

Last night Tampella said the Bank of Finland's measures would bolster its financial structure by around FM2bn, and lessen its debt burden.

In a further measure to ease Skopbank's problems, the Bank [redacted] Finland announced it would forego [redacted] the value of FM1.9bn. [redacted] would enable it to meet international capital adequacy requirements.

INTERNATIONAL COMPANIES AND FINANCE

Canada starts race to deregulation

Bernard Simon on plans for more competition in financial services

THE starter's gun is about to go off for a rambunctious free-for-all in [illegible] financial services.

Within the next few weeks, parliament is likely to approve a package of four bills which will tear down many of the barriers which for years have kept financial institutions in four neat compartments – banks, trust companies, insurance underwriters and securities firms.

Ownership of securities firms was opened to outsiders in 1987. The legislation will make it possible for banks to own insurance companies and to enter fiduciary services, such as estates administration, by acquiring trust companies. The banks will be relieved of their obligation to hold non-interest bearing deposits with the Bank of Canada.

Trust companies will be given virtually the same lending and deposit-taking powers as banks.

Insurers will be able to sell products of other financial institutions and will have considerably wider commercial lending powers. Amendments to the Insurance Act will also make it easier for mutual insurers to convert to stockholder-owned companies.

A clause added recently during parliamentary committee hearings will give banks, trusts and insurers more freedom to form joint ventures with each other and with non-financial institutions.

The changes in prospect are prompting many financial institutions to take a close look [illegible] corporate strategies. Mr Dennis Madden, a Toronto financial services consultant, [illegible]: "Every management team has to rethink what business it's in, what business it wants to be in, and what business it does well."

The new laws will considerably tighten corporate governance. The boards of all federally-regulated financial institutions will be required to [illegible] up audit and conduct review committees with a majority of non-executive directors. One particularly broad provision requires auditors to notify the chief executive of any matter which may harm the well-being of the company.

Jockeying for position among financial institutions has already started. Mr John Cleghorn, president of Royal Bank of Canada, the biggest bank, said recently: "Our focus is to expand beyond traditional banking frontiers and to become a broadly based supplier of financial services." Royal is especially interested in retirement planning and insurance, reasoning that the baby-boom generation is moving away from borrowing and spending, and towards saving.

Every management has to rethink what business it's in, what business it wants to be in, and what it does well.

Royal has already signed a conditional agreement to acquire a small trust company. It is expanding its investment management business and makes no secret of plans to be a leading force in insurance.

By contrast, Bank of Montreal has put out the word that it has little interest in insurance. One benefit has been to attract the banking business of insurance companies which are reluctant [illegible] bare their innermost secrets to a bank which may end up controlling one of their competitors.

The two biggest life assurers, Sun Life of Canada and Manulife Financial – formerly Manufacturers Life – have become increasingly active in the trust business. Several life offices are expected to demutualise over the next few years. The trust companies, whose business centres on mortgage lending and fiduciary services, are more likely to be targets than predators. With the exception of the two biggest trusts, Canada Trust and Royal Trust, they do not have the branch [illegible] or [illegible] financial [illegible] to compete head-to-head with the banks and insurance companies.

The trust industry has also been scarred by well-publicised failures. Several companies are still in trouble, and are seeking buyers or partners.

Although the [illegible] laws [illegible] have parliamentary approval by Christmas, their implementation [illegible] likely to be delayed until the spring. Several [illegible] companies have [illegible] department of [illegible] postpone proclamation so that they [illegible] hold forthcoming annual meetings and [illegible] 1991 financial [illegible]ments under the existing rules.

More important, the authorities have yet to gazette the administrative regulations which will play a key part in determining just how far [illegible] type of financial institution [illegible] spread its wings.

[illegible] special interest is precisely how Ottawa plans to [illegible]ulate the entry by deposit-taking institutions into insurance. Strong lobbying by the insurance industry has persuaded the government [illegible] retain curbs on the retailing of insurance by [illegible] and trust companies.

Insurance agents and bro[illegible] that they could [illegible] put out of business if the banks are able to [illegible] their [illegible] branch networks to sell insurance. The banks will also be barred from passing on certain information about their [illegible]tomers to their [illegible] subsidiaries.

However, Mr [illegible] describes the curbs as "impediments, rather than insurmountable obstacles". Mr Cleghorn [illegible] Royal Bank will sell life, [illegible] health [illegible] policies through [illegible] distribution techniques. Already, [illegible] loose marketing alliances with insurers, allowing them, for instance, to include promotions for home-insurance policies in the same envelope as monthly bank statements.

Mr Robert Korthals, president [illegible] Toronto-Dominion Bank, says: "The banks will sell more insurance than the insurance industry will sell deposit products." While that may be [illegible], each group [illegible] likely to have [illegible] winners and losers.

Certainly the [illegible] major domestic banks, [illegible] foreign banks, 70 trust companies, 170 life companies and 120 property and casualty [illegible] will [illegible] shrink once [illegible] acquisitions [illegible] rolling [illegible].

More NTT shares for sale

By Robert Thomson in Tokyo

JAPAN'S Ministry of Finance yesterday announced that it is determined to release another tranche of shares this financial year of Nippon Telegraph and Telephone (NTT), the telecommunications utility.

This is in spite of fears that the ailing Tokyo stock market will be unable to digest the 500,000 new shares, equivalent to 3.2 per cent of the shares in issue.

Mr Tsutomu Hata, the finance minister, yesterday told a parliamentary finance [illegible] the [illegible] would be released by the end of March, though he agreed that the weakness of the Tokyo [illegible] and of NTT's share price will mean that the sale will [illegible] come, as previously scheduled, [illegible] the end of [illegible] calendar year.

The NTT share price is a sensitive political issue in Japan beca[illegible] many of [illegible] group's shareholders [illegible] individual investors now sitting on large paper losses in the priva[illegible] company. The [illegible] were originally issued [illegible] Y1.6m in [illegible] quickly peaked at Y3.18m, before falling sharply to Y1.43m by April 1989. Yesterday, NTT closed at [illegible], only [illegible] low. [illegible] presumed [illegible] government backing [illegible] the NTT issue would ensure a healthy share price, [illegible] the company's links [illegible] the Recruit bribery scandal and [illegible] col[illegible] Tokyo market last [illegible] have seen NTT shares remain far below their peak.

The [illegible] of [illegible] new issue has angered already dis[illegible]tled investors, who argue [illegible] the government should [illegible] until the [illegible] market recovers before the release of the [illegible]. The government still [illegible] per cent of the company and is required by law to hold [illegible] least one-third of the shares.

There have [illegible] unofficial reports in recent weeks that the government would delay the release indefinitely, but Mr Hata, [illegible] ministry faces a growing budget deficit, yesterday [illegible] the sale would proceed. However, Mr Jason James, stock strategist at James Capel Pacific, still doubts that the sale will go [illegible].

"The market handled a [illegible] ($2.77bn) in [illegible] in [illegible] and only Y270bn in September, so you have to have doubts about its ability to cope with almost [illegible] in one NTT release," he [illegible].

In [illegible] Finance Ministry would have expected leading brokers to [illegible]assage the NTT share price before an issue.

However, the [illegible] scandals this year and the public criticism of the close relationship between bureaucrats and brokers have changed the finan[illegible].

[illegible] ministry could be tempted to wait until after the expected parliamentary approval next year of foreign ownership of NTT shares. A senior government body has recommended that foreigners be allowed ownership of [illegible] to 20 per cent of NTT and Kokusai Denshin Denwa (KDD), [illegible] international communications utility.

Japanese officials insist that [illegible] opening [illegible] ownership [illegible] foreigners [illegible] not linked [illegible] flagging price but to the trend towards the privatisation and internationalisation [illegible] telecommunications [illegible].

[illegible] Japanese politicians had opposed foreign ownership, but their opposition has weakened in tandem with the [illegible] price.

ASC starts Ad[illegible] share dealing [illegible]

THE Australian [illegible] Commission (ASC) yesterday started legal action in [illegible] alleging illegal [illegible] dealing by former direc[illegible] the Adelaide Steamship (Adsteam) group, writes Kevin Brown in Sydney.

The [illegible] to [illegible] in Adsteam shares in [illegible] and [illegible] by [illegible] Spalvins, the group's [illegible] managing director, and [illegible] Michael Kent, the group's former [illegible] director. Both [illegible] have since left Adsteam [illegible]ing the imposition by its [illegible] of a restructuring plan.

According to the ASC, Mr Spalvins and Mr Kent commissioned Jefferies and Co, a US stockbroker, to deal in shares in Adsteam and David Jones, an associated company.

The ASC says its investigation shows that payments of US$3.8m [illegible] made by Jeffer[illegible] Fellstore Securities, [illegible] UK company owned by Adsteam, David Jones and other members of the Adsteam group.

The ASC alleges the circumstances of the transaction, and the treatment [illegible] profits, constituted breaches [illegible] by Mr Spalvins [illegible] Mr Kent [illegible].

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

[illegible]	Provisional Price for Trading on 04.12.91 Pool purchase price £/MWh	Final Prices for Trading on 08.11.91 Pool purchase price £/MWh	Pool selling price £/MWh
[illegible]	16.63	16.28	16.28
[illegible]	16.83	18.55	20.47
0130	17.50	21.00	22.99
0200	17.50	21.00	22.97
0230	16.83	18.55	20.45
0300	16.61	16.25	16.25
0330	16.58	16.22	16.22
0400	16.49	16.15	16.15
0430	16.44	16.15	16.15
0500	16.48	16.12	16.12
0530	16.48	16.19	16.19
0600	16.49	16.19	16.19
0630	16.61	16.25	16.25
0700	16.85	18.44	20.34
0730	19.65	19.00	20.92
0800	20.17	19.38	21.33
0830	20.33	27.37	29.59
0900	20.35	27.40	29.58
0930	20.72	27.43	29.54
1000	24.06	27.44	29.57
1030	24.05	27.44	29.63
1100	20.41	21.10	23.12
1130	20.41	25.27	27.44
1200	20.42	25.32	27.50
1230	20.42	25.29	27.47
1300	20.41	25.20	27.32
1330	20.41	20.58	22.53
1400	20.41	20.27	22.21
1430	20.41	20.26	22.20
1500	20.42	20.26	22.20
1330	20.65	19.87	21.80
1600	38.25	19.85	21.89
1630	109.87	29.36	32.64
[illegible]	166.81	85.97	101.12
[illegible]	163.56	115.57	132.84
[illegible]	101.90	118.09	134.25
1830	42.04	68.19	77.28
1900	27.89	39.82	43.75
1930	24.30	27.06	29.50
2000	23.99	23.09	25.15
2030	20.31	19.28	21.14
2100	20.08	19.22	21.12
2130	19.85	19.00	20.90
2200	19.30	18.75	20.64
2230	16.83	18.65	20.55
2300	16.58	16.40	16.40
2330	16.50	16.19	16.19
2400	16.48	16.15	16.15

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.86/MWh becomes 1.686p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provi[illegible] Pool Purchase Price is subject to [illegible]on or correction until final pool [illegible] are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

INTERNATIONAL COMPANIES AND FINANCE

Royal Bank of Canada earnings show slight rise

By Bernard Simon in Toronto

ROYAL Bank of Canada posted a small increase in fiscal 1991 earnings, with a slump in domestic business [redacted] by higher interest payments from Third [redacted] *borrowers, strong* growth in currency and interest-rate swap fees and expanded corporate business [redacted] the US.

RBC, which [redacted] Canada's big[redacted] financial institution, lifted net income [redacted] (US$870.3m) for [redacted] to end-October from C$964.9m in [redacted] Per-share earnings [redacted] *to C$2.91 from* [redacted]

Return on equity fell [redacted] from 17.5 per cent, and return on [redacted] down slightly [redacted] per cent. The bank's [redacted] rose [redacted] per cent to [redacted] on [redacted] 31, with [redacted] bulk of the growth coming from residential mortgages.

Loan-loss provisions rose to [redacted] from *C$420m* and non-accrual loans to [redacted] from C$1.7bn.

But there was a wide dispar[redacted] between the performance of [redacted] bank's Canadian and international businesses. The unexpectedly [redacted] recession in [redacted] *pushed domestic* income down by 19 per cent to C$567m. Loan [redacted] by 51 [redacted] cent and non-performing [redacted] by 63 per cent.

By contrast, international income soared by 58 per cent to C$416m. [redacted] than half the [redacted] from higher Third [redacted] interest payments, including an [redacted] Brazil, [redacted] a C$100m reversal in country-risk provisions.

In addition, RBC [redacted] reaped the [redacted] a relatively low [redacted] to the troubled US [redacted] market and to *highly* leveraged borrowers. Its ratio of international loan losses to assets – excluding LDC loans – was only 0.3 per cent, compared with 0.8 per cent on domestic business.

Operations outside Canada account for about one-fifth of *the bank's assets,* with US customers making [redacted] 40 per cent of international loans. Fee income, mainly from [redacted] jumped by C$65m, or 21 [redacted] cent.

The bank does not expect a significant improvement in its domestic business in the year ahead. Although the Canadian economy is in the early stages *of recovery,* the pick-up is likely to be slow and erratic. Loan losses and non-performing loans will probably remain roughly at present levels until a more robust upswing takes hold.

Pan Am bankruptcy hearing delayed

By Nikki Tait in New York

A [redacted] court hearing, [redacted] could see Pan Am [redacted] Chapter 11 *bankruptcy* protection, was delayed yesterday as last-minute negotiations between [redacted] ailing airline's *creditors, management* [redacted] potential investors [redacted]

The bankruptcy court hear[redacted] *originally* [redacted] *to* [redacted] Manhattan. [redacted] eleventh-hour discussions prompted *the* [redacted] *be post*poned [redacted] by mid-morning.

The [redacted] of Pan Am's reorganisation [redacted] *has* been clear [redacted] mid-August, when [redacted] international carrier [redacted] a [redacted] Delta [redacted] Lines, then number three in the US airline industry.

Delta agreed to buy Pan Am's East Coast Shuttle and [redacted] remaining trans-atlantic [redacted], and *to take* an equity stake of around 45 per cent in the reorganised Pan Am business. *It also agreed* to meet certain Pan Am liabilities, including some of the airline operating losses. The "reorganised" [redacted] *then* [redacted] on running [redacted] Latin American service from a *Miami* hub.

Transfer of [redacted] Pan Am [redacted] worsening operating situation prompted Delta to reopen negotiations over some aspects of its proposed investment in Pan Am.

Other parties with an interest in the Pan Am bankruptcy – ranging from employee rep[redacted] to [redacted] Pension Benefit Guaranty Corporation, a federal agency which underpins pension benefits – were *also still in talks this week.*

Pan Am filed for Chapter 11 bankruptcy protection in January *after years of losses – par*tially staunched by asset sales – causing cash resources to dwindle to low levels.

IBM executive announces retirement

By Louise Kehoe in [redacted] Francisco

INTERNATIONAL Business Machines' top [redacted] computer executive, Mr Carl Conti, [redacted] retire [redacted] the end of [redacted] year.

Mr Conti, 54, [redacted] an IBM senior vice-president [redacted] member [redacted] the company's corporate [redacted]agement board. *He has* been responsible for [redacted] key mainframe products [redacted] An *IBM* [redacted], he joined the company in 1959.

Mr [redacted] departure [redacted] as IBM [redacted] to implement [redacted] broad restructuring of its operations [redacted] is expected to lead to numerous management changes. IBM officials [redacted], however, [redacted] Conti's [redacted] the company's reorganisation plans.

"Carl Conti has been associ*ated with virtually every major* [redacted] in our large systems business since [redacted] first days with the company," *said* Mr John F. Akers, chairman.

Mr Conti will be succeeded by Mr [redacted] Donfrio, president [redacted] IBM's [redacted] systems division and [redacted] IBM vice-president. Mr Donfrio will continue as DSD president, a position he [redacted] held since January. Previously, he was president of IBM's advanced work[redacted] he [redacted] responsible [redacted] the develop[redacted] of an important new [redacted] computer workstation products.

*Analysts noted that Mr Don*frio's appointment signals the growing influence within IBM *of executives from outside* the company's traditional mainframe computer power base.

Separately, IBM Canada said it intends to sell its securities industry services unit to Westbridge Computer. IBM Canada, which owns 27 per cent of Westbridge, said the division has revenue in excess of C$25m (US$22.12m) a year.

PepsiCo and Lipton form joint venture

PEPSICO has formed a joint venture with [redacted] J. Lipton a subsidiary [redacted] Unilever, [redacted] Anglo-Dutch consumer products group, to develop and [redacted] drinks, and expand distribution [redacted] Lipton ready-to-drink products, Reuter reports from New York.

PepsiCo said [redacted] joint ven[redacted] will begin operation in January, with product develop[redacted] beginning immediately.

Pepsi-Cola bottlers will *phase in* [redacted] *Lipton* ready-to-drink products in [redacted] PepsiCo said its Pepsi-Cola International unit [redacted] Unilever will explore international affili[redacted] on [redacted] by market basis.

The company [redacted] that it and Lipton annually [redacted] more than $11bn [redacted] beverages worldwide.

AT&T may face charge for retirement benefits

By Martin Dickson in New York

AMERICAN Telephone [redacted] Telegraph, the largest US [redacted]communications [redacted] yesterday [redacted] that it [redacted] to face [redacted] non-cash charge [redacted] comply with new [redacted] of [redacted]ing [redacted] post-retirement health [redacted] *for* [redacted] *employees.*

[redacted] liability [redacted] from a new [redacted] from [redacted] Financial *Accounting* [redacted] which requires all US employ[redacted] to [redacted] the [redacted] of [redacted] pension [redacted] for employees [redacted] their working careers, rather than charge them against earnings [redacted] payments [redacted] actually made. The rule [redacted] into [redacted]

Companies can either [redacted] in [redacted] single charge or [redacted] AT&T [redacted] it expected [redacted] a one-time charge, probably in the [redacted] quarter of 1993.

It added that, [redacted] on cur[redacted] assumptions, the differ[redacted] between accruing liabili[redacted] operating the current pay-as-you-go system might mean no additional impact on *earnings in future years,* [redacted] the [redacted] $100m [redacted] year reduction. Last [redacted] the group [redacted] *$3.1bn. It employs* [redacted] people and [redacted] 140,000 re[redacted]

AT&T is the [redacted] of numerous leading companies [redacted] announce large charges [redacted] connection with the rule-change. However, its accumulated liability is well below that of Gen[redacted] Motors, [redacted]turer, which probably faces the steepest charge of any US com[redacted], between [redacted] and $24bn.

Digital launches personal workstation

By Louise Kehoe in San Francisco

DIGITAL Equipment yesterday announced an aggressively priced *"personal workstation"* in a drive to expand its share of the high-performance desktop computer market.

Digital's new entry-level Risc (reduced instruction set computing) workstation will sell in the US for $3,995, undercutting the *price* of workstations with similar performance and also challenging comparable high-end IBM-compatible personal computers.

Demonstrating a prototype version of Microsoft's "Windows NT", next generation personal computer operating system running on its new workstations, Digital also sought to boost flagging confidence in the Ace consortium bid to create new hardware *and software standards* for desktop computing, challenging the established IBM-*compatible standard.*

Digital was one of the founding members of Ace, an industry group launched nine months ago. Ace aims to create new desktop computing standards based upon a new generation of Risc microprocessor chips from Mips Computer and upon Microsoft's "Windows NT" operating system which is scheduled for introduction next year.

Ace's promise has been clouded recently by the disappointing financial performance of some key members *of the group,* including Compaq Computer, Mips and the Santa Cruz Operation.

Digital is determined to maintain the momentum of the Ace initiative, which remains a key element of its strategy to expand its share of the desktop computer market. A big challenge facing Digital and other Ace members, however, is to bridge the gap between current products and those to be based upon Ace standards.

Digital's approach is to offer machines that can be *upgraded to accommodate* Mips Computer's new R4000 Risc processor, when it *becomes available* some time next year, as well as demonstrating the ability to run Microsoft's NT, even before it reaches the market.

Meanwhile, Digital must [redacted] with established [redacted] leaders [redacted] versions of the AT&T Unix operating system including Sun Microsystems, Hewlett-Packard and IBM.

Guaranty sells branches to buttress capital

HARD-PRESSED [redacted] Guaranty [redacted] sold 48 branches in [redacted] and Atlantic Canada [redacted] National Bank of Canada for more than C$50m (US$44.2m), writes Robert Gibbens in Montreal.

Guaranty said the cash will buttress its capital which has been variously eroded by a *third-quarter loss of C$117m.*

Guaranty now becomes the country's fifth largest trust company, down from fourth. It retains 110 branches and [redacted] will be about corporate C$10bn. The third-quarter loss included C$98.5m loan [redacted] provision.

Guaranty also suspended preferred dividends and may make further disposals in view [redacted] expected fourth-quarter losses.

Digital launches personal workstation

By Louise Kehoe in San Francisco

Sterling mortgage backed issues downgraded

By Simon London

FIFTEEN sterling mortgage backed bond issues totalling around £1.5bn have been downgraded by Standard [illegible] Poor's, the US credit rating agency, following a decline in the credit quality of the insurance companies which insured deals.

Most of the bond [illegible] are collateralised on mortgages written by The Mortgage Corporation, a subsidiary of Salomon Incorporated, the parent company of the troubled US securities firm.

Nine of the issues were backed by Eagle Star, the UK insurer owned by BAT Industries, which insured bond holders against default on the mortgages which underlie the bonds. Eagle Star had its credit rating for [illegible] ability downgraded from AA to AA- last week and the bond issues have been lowered to the same level.

The other six issues were [illegible] by Pohjola Insurance, [illegible] US insurer, which was downgraded from triple-A to AA+ in July. The bond issues backed by Pohjola, TMC Mortgage Securities Nos 5 to 10, have now been lowered to this level.

Last week, S&P downgraded £1.2bn mortgage backed bonds following a decline in the claims paying ability of Sun Alliance.

Sabic set to borrow $2bn for expansion

SAUDI [illegible] Industries Corporation (Sabic), the Saudi Arabian petrochemical [illegible] will borrow up to $2bn from [illegible] banks in 1992 [illegible] finance expansion plans, bankers [illegible] Riyadh said, Reuter reports.

They said a deal for the first credit, a [illegible] $500m loan for Sabic subsidiary Saudi European Petrochemical Company (Ibn Zahr), would probably [illegible] signed this [illegible].

The eight-and-a-half-year loan, priced half a [illegible] point over the London interbank offered rate, will help pay for new [illegible]thyl tertiary butyl [illegible] (MTBE) and polypropylene plants.

Ibn Zahr [illegible] expected to spend around $860m on the projects, part of plans by Sabic to [illegible] its petrochemical and fertiliser production to 20m tonnes a year by 1995 from the current 13m.

Sabic, 70 per cent owned by the Saudi government, has not said how much the programme will cost. Ten of its 12 affiliates in the Jubail industrial complex are expanding, with completion [illegible] by 1992 or 1993.

Bankers [illegible] negotiations had begun on a $324m loan to build a 500,000-tonne-per-year MTBE plant at another Sabic subsidiary, the Saudi Methanol Company.

A $500m to $600m loan for a third subsidiary, the Saudi Eastern Petrochemical Company, was also being considered and would probably also be put to the market during the first quarter of 1992, they said.

Bankers said Saudi Arabia's 12 commercial banks would [illegible] no problems in absorbing the loans.

Burdened by Gulf war [illegible] the Saudi government told its state-owned institutions to begin borrowing from commercial banks early this [illegible] [illegible] on [illegible] seen during the past [illegible] months [illegible] shown steady improvement, bankers [illegible].

Abdulaziz Abdullah al-Zamel, [illegible] chairman and also the industry and electricity minister, says the conglomer[illegible] will make its marketing network more international.

Four Saudi banks, National Commercial Bank, Riyad Bank, [illegible] American Bank, and Bank al-Saudi al-Fransi, are [illegible] managers for the first [illegible] loan for Ibn Zahr.

Crédit Lyonnais opens office in St Petersburg

CREDIT Lyonnais, the French state-owned bank, has set up Crédit Lyonnais Russie, the first foreign bank to be based in the [illegible] city of St Petersburg, [illegible] recently-renamed city of Leningrad, Reuter reports.

Crédit Lyonnais Russie will have capital of 20m, Ecus or $25.2m, and will carry out the business of commercial banking in the Russian republic, Mr Jean-Yves Haberer, [illegible] Lyonnais chairman, [illegible].

"We are currently seeking authorisation from the Russian [illegible] bank [illegible] our banking functions," he added.

Mr Haberer said that Crédit Lyonnais Russie could have a role [illegible] play in privatisations in Russia.

UK long gilts rally in line with continental sentiment

By Simon London in London and Karen Zagor in New York

UK GOVERNMENT bonds rallied strongly at the longer maturities yesterday in line with continental European markets, although gains [illegible] shorter end [illegible] restricted by an overhang of unsold government tap stock.

The March gilts futures contract on the London International Financial Futures Exchange, which [illegible] over from the December contract as the most heavily traded future this week, closed at 94.14 after opening at 94.00. Trading volume was a healthy 21,500 contracts.

The benchmark 11¾ per cent gilt maturing 2003/2007 closed up ½ of a point on the day at 112¾ for a yield of 9.88 per cent.

However, at the short end gains were smaller. For example, the benchmark 10 per cent gilt maturing 1996 was up just ⅛ of a point on the day for a yield of 9.90 per cent.

Dealers [illegible] at the shorter end were capped by Treasury tap stock which has not been sold, while the longer maturities now remain free of new paper.

Analysts said that, even at the long end, gains are likely to be limited ahead of the Bundesbank council meeting tomorrow, which could decide to raise German interest rates.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	[illegible]	[illegible]	Yield	[illegible]	[illegible]
AUSTRALIA		[illegible]	11/01	[illegible]	[illegible]	9.81	9.81	9.85
BELGIUM		[illegible]	06/01	99.9500	[illegible]	[illegible]	[illegible]	9.08
[illegible] *		8.500	[illegible]	[illegible]	+0.010	8.49	8.61	[illegible]
DENMARK		[illegible]	[illegible]	[illegible]	[illegible]	9.08	9.03	[illegible]
[illegible]	BTAN	[illegible]	[illegible]	[illegible]	[illegible]	8.21	[illegible]	8.83
	OAT	8.500	[illegible]	[illegible]	+0.320	[illegible]	8.82	8.75
GERMANY		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITALY		[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
[illegible]	No [illegible]	[illegible]	06/99	[illegible]	+0.122	6.10	[illegible]	6.21
	No 129	6.400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS		8.500	[illegible]	[illegible]	+0.130	[illegible]	[illegible]	[illegible]
SPAIN		[illegible]	07/96	[illegible]	-0.100	11.93	11.87	[illegible]
UK [illegible]		10.000	[illegible]	[illegible]	+01/32	9.95	10.02	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	9.90	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	+11/32	[illegible]	9.75	9.57
US TREASURY *		[illegible]	[illegible]	101-17	+[illegible]	[illegible]	7.44	7.44
		[illegible]	11/21	[illegible]	+[illegible]	[illegible]	[illegible]	[illegible]

London closing, *New York closing. Yields: Local market standard

Prices: US, UK in 32nds, others in decimal [illegible]

GOVERNMENT BONDS

■ US TREASURIES moved narrowly higher yesterday as hopes of an imminent easing [illegible] monetary policy [illegible] the [illegible].

In [illegible] trading, the Treasury's benchmark 30-year [illegible] gained ⅛ to 101[illegible], yielding 7[illegible] per cent, after losing ground in morning trading. [illegible] maturities [illegible] higher through [illegible] of the day [illegible] the back [illegible] expectations [illegible] monetary policy will be [illegible] within weeks. The strength [illegible] the [illegible] end helped lift the long [illegible] of the yield [illegible].

The Federal Reserve arranged [illegible] in [illegible] repurchase agreements when [illegible] were trading [illegible] per cent. Economists [illegible] expected [illegible] move, which [illegible] liquidity [illegible] system, [illegible] there were [illegible] policy implications [illegible] Fed's [illegible] operation.

Although [illegible] growing speculation [illegible] the [illegible] will ease again this year, the bond market is unlikely to see much movement until the November employment figures are released on Friday.

The October index of leading indicators came in as expected, with an advance of 0.1 per cent after easing 0.1 per cent in September.

New single-family home [illegible] grew [illegible] per [illegible] in October. September's sales [illegible] to [illegible] a [illegible] of [illegible] per cent from a previously reported drop of 12.9 per cent.

■ THE French government [illegible] bounced [illegible] slide, although observers remained [illegible] the [illegible] to [illegible] this signalled a [illegible] by [illegible] advantage [illegible] ing spread against [illegible] bonds.

The [illegible] per cent bond maturing 2001 [illegible] ing at 103⅜ late in the day, for a yield of around [illegible] per [illegible].

[illegible] government bonds, meanwhile, firmed by around a quarter of a point on the day [illegible] light trading.

■ JAPANESE government [illegible] quietly [illegible] narrow [illegible] publication today of third-quarter [illegible] product figures. The slight [illegible] Tokyo market [illegible] Monday's sharp fall also left the bond market marking time.

The yield on the benchmark No 129 issue, which opened at 5.785 per cent, rose slightly to close at 5.79 per cent.

First Chinese international equity offer

A CHINESE company, Shanghai Vacuum Electronics Devices Company, is preparing to bring the first Chinese equity offering to the international market, writes Tracy Corrigan.

Underwriting agreements have been signed, but a number of legal and accounting [illegible] still have [illegible] be overcome. However, the rules permitting an international stock offering are understood to be in place.

Given [illegible] complexity [illegible] the transaction, [illegible] offering [illegible] unlikely to emerge before the end of the year.

Shanghai Vacuum, which makes television tubes, will [illegible] a total of 1m shares. Swiss Bank Corporation, lead underwriter of the [illegible] tranche, and Salomon [illegible] will place 320,000 shares each, while Sun Hung Kai will distribute a further 160,000 shares. The [illegible] tranche will be underwritten by Shen Yin Securities. The offer price will be Yn400 per share, a substantial discount to the current share price.

International distribution of the offering is expected to be concentrated in Asia, but the underwriters will also be testing the ground in Europe.

FT/AISD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on December 3

U.S. DOLLAR STRAIGHTS	Issued	[illegible]	Offer	Chg. day	Yield
ABN 9 1/8 94	200	[illegible]	[illegible]	+⅛	6.72
ALBERTA PROVINCE 9 3/8 95	600	[illegible]	[illegible]	+⅛	6.74
AUSTRIA 8 1/2 00	400	[illegible]	[illegible]	+⅛	7.67
BANK OF TOKYO 8 3/8 96	100	[illegible]	104⅛		7.31
BELGIUM 9 5/8 98	250	110⅝	111⅛	+⅛	7.49
BFCE 7 3/4 97	150	102⅞	103⅛	+⅛	7.06
BNP 8 5/8 94	300	105⅜	106	+⅛	6.25
BRITISH GAS 8 3/8 99	350	104½	105	+⅛	7.58
CANADA 9 96	1000	108⅜	108⅝	+⅛	6.65
CARCO 9 1/4 96	650	[illegible]	104⅞		8.30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]	Issued	Bid	Offer	Chg. day	Yield
[illegible] INT 7 94 LFr	600	[illegible]	95		9.65
[illegible] 96 LFr	600	98	98⅞		9.22
WORLD BANK 8 96 LFr	1000	96⅝	97⅛		9.09
ABN AMRO HOLDING 9 1/4 01 Fl	750	102⅛	102⅝		8.87
UNILEVER 9 00 Fl	500	102⅞	103⅛		8.52
ALBERTA PROVINCE 10 5/8 96 C$	500	106⅛	106⅝		8.73
BELL CANADA 10 5/8 99 C$	150	106⅛	106⅝		9.44
BRITISH COLUMBIA 10 96 C$	500	104⅛	104⅜	-⅛	8.79
EIB 10 1/8 98 C$	130	105⅛	106	+⅛	9.00
ELEC DE FRANCE 9 3/4 99 C$	275	103⅞	104⅛	-⅛	9.02
FORD CREDIT CANADA 10 94 C$	100	103	103⅜		8.66
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS [illegible]

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

* No [illegible] - previous day's price
† Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month [illegible] above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL CAPITAL MARKETS

Spain plans to float off 20% of Banco Exterior

By Peter Bruce in Madrid

THE SPANISH government is planning to float off nearly [illegible] cent of its largest public sector financial institution, Banco Exterior, next year in a bid to deal with growing pressure on the country's public sector [illegible].

The state directly [illegible] 89.7 per [illegible] Exterior, [illegible] chairman, Mr Francisco Luzon, said yesterday a partial privatisation next year could [illegible] holding to [illegible] per cent. [illegible] current prices, [illegible] could raise around Pta70bn ($679.61m).

Mr Luzon's confirmation of persistent rumours surrounding Exterior, [illegible] country's fifth [illegible] bank, comes hard [illegible] suggestions [illegible] Madrid is considering selling [illegible] a further large [illegible] of the large public [illegible] energy conglomerate, Repsol, next year as well.

Senior Finance Ministry officials have warned, however, the flotations will only [illegible] place if [illegible] markets [illegible] absorb the issues. The Spanish markets have been weak for [illegible] of [illegible] year, and projected inflation increases in early 1992 [illegible] weaken them further.

Nevertheless, the budget deficit planned for 1992 is 2.3 per cent of GDP, a sharp increase [illegible] the 0.9 per cent targeted – and missed – for 1991 and the government is urgently [illegible]ing ways to augment income.

The state has 66.5 per cent of Repsol, and suggestions by the company that this could fall to below 50 per cent in a flotation next year imply income of [illegible] least Pta120bn at current share prices. Madrid [illegible] a first tranche of Repsol in 1989 to raise nearly $1bn.

Banco Exterior is [illegible] leading institution in the recently-created Corporacion Bancaria [illegible] España, a pooling of all the [illegible] financial institutions, which yesterday formally renamed [illegible] Argentaria.

[illegible] combined [illegible] total Pta9.4 trillion (million, million), making it the biggest bank in the country and pools, along with the recently-merged Banco Exterior and the Banco [illegible] Credito Industrial, [illegible] post office savings bank, Caja postal, [illegible] mortgage bank, its municipal and agricultural lending institutions.

Javelin succumbs to price war

By Richard Waters

JAVELIN Securities, [illegible] of [illegible] stockbrokers [illegible]sing in [illegible] commissions in [illegible] UK, is [illegible] be sold, signalling the [illegible] that has built [illegible] on this fast-growing part of the broking industry since a [illegible] price war [illegible].

Javelin, set up only two years [illegible] is [illegible] small group of agency broking [illegible] which deal [illegible] commission basis – that is, they refunded a fixed proportion [illegible] commissions they [illegible] by supplying [illegible] with services such [illegible] computer [illegible] or subscriptions to [illegible] research [illegible].

The practice [illegible] formally sanctioned by [illegible] ties and Investments [illegible] only last [illegible] prolonged [illegible] about whether [illegible] should [illegible] allowed.

Specialist [illegible] generally refund 50 to 55 per cent of the commissions they receive. They [illegible] been under severe [illegible] since Warburg [illegible] and other integrated securities firms launched a price [illegible], offering to refund up to [illegible] per [illegible] of commissions they receive.

[illegible] existing controlling shareholder, Pinestreet, a [illegible]ture capital company owned by American International Group, the US insurer, was not willing to put up extra capital, leading it to seek a new shareholder, it said.

Executives attempt to stretch Swift's wings

Robert Corzine looks at the constraints on the money transmission system's ambitions

THE only [illegible] associ[illegible] with the electronic transfer of several trillion dollars a day around the world is the background hum of the high-speed computers at heavily-guarded centres in the Netherlands and the [illegible] run [illegible] – the Society [illegible] Worldwide Interbank Financial Telecommunications. And, like [illegible] background sound [illegible] a ship's engines at sea, [illegible] time to worry [illegible] when it stops.

On June 4, a software 'bug' at the Dutch site brought [illegible] global money transmission network to a sudden halt, and with it the up to 1.5m daily [illegible] that [illegible] virtually [illegible] international [illegible] and many of [illegible] cross-border securities and foreign exchange transactions [illegible] the [illegible] countries [illegible] by [illegible] system.

The technical trouble [illegible] identified, but the incident focused [illegible] a publicity-shy [illegible] security-sensitive institution, whose headquarters are hidden from public view on the [illegible]ling grounds [illegible] La Hulpe [illegible].

It [illegible] added [illegible] to [illegible] senior [illegible]. They [illegible] trying [illegible] transform a bank-owned co-operative – [illegible] aim [illegible] providing its [illegible] a standardised, reliable and [illegible] of quickly transferring money – [illegible] a [illegible] provider [illegible] the financial sector.

Such a strategy [illegible] given [illegible] traffic. These include:

● Emerging competitors such as national telecommunications carriers seeking higher value products for their existing infrastructure;

● A [illegible] trend [illegible] large [illegible] mergers, which have the [illegible] of reducing inter-bank communications;

■ Increasing political concern in the European Community about [illegible] consumers of low-value [illegible] payments and the longer-term prospect that a single European currency could lead to the loss of [illegible] least 40m messages annually.

The task of broadening Swift's participants [illegible]d inter[illegible], however, has been [illegible]pounded by often fierce shareholder resistance to changes proposed by [illegible].

Mr Bessel Kok, Swift's outgoing chief executive, [illegible] conflicts are "natural and inevitable" because of Swift's co-operative status: "Our 1,885 bank shareholders are also our main customers, and the larger ones are increasingly our main competitors."

The [illegible] shareholders can put up when their interests appear threatened [illegible] highlighted earlier [illegible] when Swift's members rejected for the second time a recommendation that fund managers be allowed [illegible] participate directly in the system.

"The banks should have had the guts to open Swift [illegible] investment management institutions and [illegible] connect [illegible] banks' corporate customers [illegible] to [illegible] network", [illegible] Mr Kok.

"It was the same syndrome as in the early 1980s when our original recommendation that stockbrokers be allowed in almost cost me my job. When they were finally admitted, and everyone saw there was no danger from the new partici[illegible] the shareholders wondered why it [illegible] taken so long."

> **The stiff resistance which shareholders can put up when their interests appear threatened was highlighted earlier this year when Swift's members rejected for the second time a recommendation that fund managers be allowed to participate directly in the system.**

Dealing with the sheer diversity of shareholders adds another dimension to managing a co-operative, says Kok, especially as Swift's voting procedure is only slightly weighted towards larger users.

"We're trying to marry two different worlds within Swift, with banks like Citibank, which is an outright competitor, and, say, small regional savings banks in Italy. In addition the benefits of the co-operative will always be felt more by the smaller members", says Mr Kok.

So having moved financial communications out of the age [illegible] "dusty telexes", is Swift's usefulness to the larger banks declining? "No", says Mr Kok emphatically.

"They need us more than ever because we are an exclusive cost reducing organisation for banks and have unrivalled geographic spread."

Mr Kok, who leaves Swift next month to prepare the Belgian PTT for liberalisation, believes banks have failed to understand [illegible] exploit Swift's potential.

"They just [illegible] cost-effective pigeon [illegible] than a way to explore new forms of co-operation. In the early days, our shareholders even saw us as a cost centre rather than a profit centre," he adds, though Swift's base tariff of BFr16 (26 pence) per message can be as little as 4 per cent [illegible] what [illegible] charge their retail customers to send money abroad.

That Swift is now very profitable is evident from its stylish new headquarters, which locals have dubbed "the temple". The word "monopoly" is rarely heard in its spacious corridors, though "dominant market position" seems a somewhat modest description for an agency that handles about 95 per cent of its members' international financial information.

However, Swift's managers are paying a price for having achieved such size. Central banks are looking more closely at the organisation, which would be one of the main international paths along which systemic risk would be transmitted if a worldwide financial meltdown loomed in future.

Mr Kok admits that central banks now view Swift "as something more than a mere switching network. We want the central banks to know and understand us", he says, though it is clear that Swift's management wants to avoid any direct supervision from the Bank for International Settlements, the central bankers' club.

Mr Kok doesn't hide his disappointment at having failed to make Swift a more open organisation, but he has no regrets about trying.

"You have to take risks in a co-operative environment," he says. "You won't survive by saying 'yes, yes, yes' all the time. In private, many of the banks have said 'you should have taken the lead more often'."

NEW INTERNATIONAL BOND ISSUES

Borrower	[illegible] m.	Coupon %	[illegible]	Maturity	[illegible]	Book runner
US DOLLARS						
Tamura [illegible](a)♦	70	[illegible]	100	1995	2¼/1½	[illegible] Europe
Alpine Electronics(a)♦	55	[illegible]	100	[illegible]	2¼/1½	*Nomura Int.*
Cheil Foods [illegible] Chemicals(d)§	[illegible]	(3-3¼)	100	2006	-	Merrill Lynch
AUSTRALIAN DOLLARS						
[illegible] Aust.(a)†	75	10	102	1996	2/1¼	[illegible] Bank
FRENCH FRANCS						
Compagnie Bancaire(b)†	1.25bn	[illegible]	12	[illegible]	100bp	CCF
Mitsui Mining & Smelting(a)♦	360	[illegible]	100	[illegible]	2¼/1½	Credit Lyonnais
[illegible]						
[illegible] & Steel Comm.(a)†	[illegible]	[illegible]	[illegible]	[illegible]	1⅝/1½	*Dresdner Bank*
SWISS FRANCS						
[illegible] Corp(a)★★§	[illegible]	[illegible]	100	1995	-	Yamaichi Bk (Switz)
GUILDERS						
NMB Postbank Groep(c)†	400	9¾	[illegible]	2002	(c)	NMB Postbank
YEN						
[illegible] Corp(a)†	20bn	6.45	[illegible]	2000	2/1⅝	[illegible]

★★Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms. a) Non-callable. b) Bond pays single coupon of 12% at redemption, so that yield offers a spread of 37bp over 1/93 (BTAN). Fungible with existing FFr1.25bn deal. c) Selling concession fee – ⅜%, no management or underwriting fee. Non-callable. d) Put option after 5 years to yield 5¾%.

Guinness raises A$75m in seventh issue this year

By Simon London

GUINNESS, [illegible] UK drinks group, yesterday made its seventh international bond issue of the year, raising A$75m five-year funds in a deal [illegible] managed by Hambros Bank.

The deal brings to £800m equivalent [illegible] total raised by [illegible] company from bond market investors this year. The earlier issues were denominated in sterling, dollars, French [illegible] and Canadian dollars.

Yesterday's deal, in [illegible] name of [illegible] Finance Australia, will [illegible] used to provide funding for the company's Australian drinks and distribution businesses, including Bundaberg Rum, which were acquired a year ago.

The bonds carry a 10 per cent [illegible] and, according to the lead manager, were priced to yield 86 basis points more than comparable Australian government bonds. However, by taking a different benchmark government bond, some other firms put the yield spread at around 74 basis points.

On either basis the pricing was considered fair value by participants in the deal. [illegible] carries a strong Aa2/AA-credit rating.

Demand for Australian dollar paper remains lacklustre. European retail investors once attracted by 15 per cent coupons in Australian dollars can pick up comparable yields in European currencies but with a lower currency risk. The deal traded at less 1.90 per cent bid, just inside full fees of 2 per cent.

Elsewhere, the European Coal and Steel Community launched possibly its last international bond issue to be [illegible] from withholding tax in Italy. The Italian parliament is considering proposals to remove the exemption, granted to all supranational agencies of which Italy is a member.

Yesterday's DM320m five-year deal, lead managed by Dresdner Bank, was priced to yield 8 basis points less than German government bonds of the same maturity. Assisted by demand from Italy, the deal traded at less 1.26 per cent bid, comfortably inside fees of 1.625 per cent.

A flurry of equity linked deals included only the second French franc warrant bond issue by a Japanese company. The FFr360m deal by Mitsui Mining and Smelting, lead managed by Crédit Lyonnais, took advantage of a currency swap opportunity to give the issuer a low cost of yen funding.

However, investors showed little enthusiasm for the deal. The bonds traded at around the issue price of par on a day when comparable Eurodollar deals were trading up to 104 bid.

INTERNATIONAL BONDS

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1991. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Tuesday December 3 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Mon Dec 2 Index No.	Fri Nov 29 Index No.	Thu Nov 28 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (180)	[illegible]	-0.3	[illegible]	6.64	13.50	33.34	736.96	745.80	755.41	719.15
2 Building Materials (23)	867.68	-0.1	8.57	7.18	15.39	41.75	868.83	887.81	902.33	987.31
3 Contracting, Construction (30)	919.86	-1.3	8.66	7.96	16.49	51.30	931.98	953.43	999.99	1148.69
4 Electricals (10)	2304.96	-0.6	[illegible]	6.41	12.17	98.23	2318.52	2360.03	2384.22	1878.62
5 Electronics (25)	1609.51	-0.8	11.52	5.93	11.03	52.97	1622.34	1637.59	1639.45	1550.74
6 Engineering-Aerospace (8)	326.03	+1.0	17.19	7.96	7.02	18.52	322.71	324.25	325.45	388.23
7 Engineering-General (43)	452.10	+0.2	10.77	5.53	11.44	17.78	451.40	453.37	458.41	363.48
8 Metals and Metal Forming (9)	308.86	-0.6	2.13	11.40	–	25.21	310.87	312.59	315.77	407.95
9 Motors (12)	289.73	-0.1	8.93	8.31	14.86	17.56	289.98	290.67	300.36	285.80
10 Other Industrial Materials (20)	1486.36	-0.5	8.09	5.51	14.69	58.79	1493.20	1510.14	1520.07	1239.98
21 CONSUMER GROUP (190)	1536.72	+0.9	7.52	3.66	16.45	38.15	1522.63	1523.04	1522.43	1213.12
22 Brewers and Distillers (23)	1860.50	+0.3	8.36	3.64	14.54	39.79	1854.76	1860.36	1860.12	1527.40
25 Food Manufacturing (19)	1183.04	+0.7	9.72	4.27	12.71	33.08	1175.35	1183.51	1179.20	1012.63
26 Food Retailing (17)	2383.71	......	9.72	3.47	13.36	58.56	2384.33	2400.89	2345.16	2272.78
27 Health and Household (23)	4054.03	+2.6	5.08	2.38	22.62	72.62	3952.83	3911.45	3897.63	2486.59
29 Hotels and Leisure (24)	1253.13	-0.5	8.14	5.65	15.21	45.61	1259.32	1262.41	1287.91	1232.96
30 Media (25)	1423.25	+0.2	7.30	4.99	17.96	47.66	1420.03	1435.11	1440.48	0.00
31 Packaging, Paper & Printing (17)	738.89	+0.4	7.31	4.50	16.59	24.43	735.89	739.91	741.77	517.41
34 Stores (32)	970.21	+0.6	7.74	3.82	16.96	26.74	964.11	962.31	971.53	806.53
35 Textiles (10)	598.90	+1.0	7.72	5.18	16.53	21.18	593.19	601.25	610.48	423.89
40 OTHER GROUPS (111)	1181.24	-0.4	10.12	5.55	12.47	38.39	1185.69	1193.22	1198.04	1001.65
41 Business Services (12)	1381.08	+0.9	7.20	4.73	17.63	46.93	1368.72	1369.77	1373.62	0.00
42 Chemicals (21)	1381.82	+0.1	7.21	5.31	17.21	54.15	1379.77	1386.06	1381.36	1047.90
43 Conglomerates (11)	1326.09	-2.5	10.93	7.90	11.17	38.95	1360.67	1374.35	1371.25	1282.56
44 Transport (14)	2190.27	-0.2	5.82	5.15	22.66	79.12	2194.10	2240.98	2279.63	1860.76
45 Electricity (16)	[illegible]	......	15.25	5.69	8.53	27.53	1152.60	1152.41	1158.08	0.00
46 Telephone Networks (4)	1420.75	-0.3	11.05	4.41	11.82	28.34	1425.05	1433.42	1445.07	1168.57
47 Water (10)	2184.95	-1.1	[illegible]	7.20	5.73	131.43	2209.55	2222.08	2222.02	2136.05
48 Miscellaneous (23)	1750.47	+0.4	5.7[illegible]	5.66	24.01	73.58	1743.90	1749.80	1752.94	1553.03
49 INDUSTRIAL GROUP (481)	1221.81	+0.3	8.69	4.78	14.42	37.70	1218.28	1223.48	1227.62	1028.26
51 Oil & Gas (19)	2215.41	-0.8	11.66	6.33	11.34	104.27	2234.35	2224.23	2244.52	2337.01
59 500 SHARE INDEX (500)	1308.42	+0.2	9.03	4.96	13.99	42.97	1306.43	1310.63	1315.94	1135.57
61 FINANCIAL GROUP (91)	714.13	-0.3	–	6.52	–	33.01	716.48	719.50	726.33	720.08
62 Banks (9)	822.38	-0.9	4.85	6.46	40.44	37.46	830.09	836.08	839.16	762.34
65 Insurance (Life) (7)	1415.98	-0.6	–	5.98	–	63.68	1425.21	1435.04	1451.66	1304.00
66 Insurance (Composite) (7)	514.30	+1.9	–	8.48	–	32.94	504.77	502.77	514.08	629.67
67 Insurance (Brokers) (10)	1001.96	+0.9	8.16	6.68	16.14	49.14	993.29	996.02	987.51	1008.23
68 Merchant Banks (7)	466.86	-0.3	–	4.61	–	14.84	468.10	468.97	469.12	360.00
69 Property (35)	837.56	-1.0	6.02	5.61	24.19	28.81	845.96	848.52	866.49	974.81
70 Other Financial (16)	236.86	+0.1	11.18	7.38	11.25	11.85	236.56	237.07	238.26	248.69
71 Investment Trusts (70)	1139.13	+1.2	–	3.79	–	30.42	1125.89	1139.93	1150.32	1004.82
99 ALL-SHARE INDEX (661)	1166.18	+0.1	–	5.12	–	40.06	1164.78	1168.95	1174.63	1032.81

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Dec 2	Nov 29	Nov 28	Nov 27	Nov 26	Year ago
FT-SE 100 SHARE INDEX‡	2420.2	+5.3	2436.9	2396.9	2414.9	2420.2	2428.6	2447.5	2471.5	2146.3

FIXED INTEREST

PRICE INDICES	Tue Dec 3	Day's change %	Mon Dec 2	Accrued interest	xd adj. 1991 to date
British Government					
1 Up to 5 years (28)	121.97	+0.03	121.94	2.37	10.75
2 5-15 years (27)	133.95	+0.03	133.91	2.94	11.84
3 Over 15 years (8)	142.08	+0.03	142.04	2.82	11.50
4 Irredeemables (6)	155.30	+0.03	155.26	1.11	13.68
5 All stocks (69)	132.47	+0.03	132.44	2.75	11.60
Index-Linked					
6 Up to 5 years (2)	167.04	-0.07	167.17	0.64	3.16
7 Over 5 years (9)	148.29	[illegible]	[illegible]	1.18	3.83
8 All stocks (11)	149.75	-0.02	149.78	1.10	3.61
9 Debs & Loans (62)	111.48	-0.03	111.51	1.58	10.59

AVERAGE GROSS REDEMPTION YIELDS		Tue Dec 3	Mon Dec 2	Year ago (approx.)
British Government				
1 Low	5 years	8.89	8.89	9.54
2 Coupons	15 years	9.62	9.62	10.22
3 (0%-7¾%)	20 years	9.62	9.62	10.26
4 Medium	5 years	9.97	9.97	10.88
5 Coupons	15 years	9.78	9.78	10.61
6 (8%-10¾%)	20 years	9.72	9.72	10.53
7 High	5 years	10.19	10.19	11.01
8 Coupons	15 years	9.87	9.88	10.80
9 (11%-)	20 years	9.78	9.78	10.73
10 Irredeemables		9.80	9.80	10.49
Index-Linked				
11 Inflation rate 5%	Up to 5 yrs.	3.93	3.90	4.00
12 Inflation rate 5%	Over 5 yrs.	4.33	4.33	4.18
13 Inflation rate 10%	Up to 5 yrs.	3.30	3.27	2.75
14 Inflation rate 10%	Over 5 yrs.	4.15	4.15	4.00
15 Debs & Loans	5 years	11.51	11.51	12.63
16	15 years	11.33	11.33	12.41
17	25 years	11.15	11.15	12.20

‡Opening index 2436.9; 9 am 2432.[illegible]; 10 am 2417.9; 11 am [illegible]; Noon 2408.5; 1 pm 2405.9; 2 pm 2407.8; 2.30 pm 2409.[illegible]; 3 pm 24[illegible]; 4.10 pm 2418.2; (a) 8.30am (b) 10.35am † Flat yield. [illegible] and lows record, base dates, values and constituent changes are published in Saturday [illegible]. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, Ibex House, [illegible] Minories, London [illegible] 1DY. Tel 071-702 0991. CONSTITUENT CHANGES: ADDITION: [illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	38	[illegible]	16
Other Fixed Interest	9	1	[illegible]
Commercial, Industrial	218	[illegible]	968
Financial & Property	155	[illegible]	513
Oil & Gas	16	23	52
Plantation	3	[illegible]	6
Mines	27	[illegible]	86
Others	71	[illegible]	[illegible]
Totals	537	540	1,694

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

LONDON TRADED OPTIONS

[illegible]

TRADITIONAL OPTIONS

- First Dealings Dec. 2
- Last Dealings Dec. 14
- Last Declarations March 5
- For settlement March 16

For rate indications see end of London Share Service

Calls [illegible] in Asprey, BTR warrants 93/94, Bula Res., Multitone Electc., [illegible] Home Loans, Premier Cons. [illegible] Trafalgar House. Put in Avon Rubber. Put and [illegible] in Tarmac.

TRADITIONAL OPTION 3-month call rates

INDUSTRIALS		Charter Cons.	42	ICI	95	Reed Intl	36	MEPC	42
Allied-Lyons	[illegible]	Comm Union	30	Ladbroke	21	Sears	[illegible]	Mountleigh	[illegible]
Amstrad	[illegible]	Courtaulds	26	Legal & Gen	23	SmKl Bchm A	[illegible]	**OILS**	
Ascos (BSR)	[illegible]	Eurotunnel	20	Lex Service	15	TI	30	Aviva Pet	[illegible]
BAT Inds	53	FKI	5	Lloyds Bank	31	TSB	11	BP	[illegible]
BOC	28	FNFC	10	Lonrho	11	Tesco	16	Burmah Castrol	27
BTR	33	Forte	15	Lucas Inds	12	Thorn EMI	30	Conroy Pet	[illegible]
Barclays	34	GKN	26	Marks Spencer	21	T & N	15	Gaelic Res	[illegible]
Blue Circle	20	Gen Accident	35	Midland Bank	20	Unilever	60	Premier Cons	[illegible]
Boots	25	GEC	12	NatWest Bank	25	Vickers	11	Shell	[illegible]
Bowater	65	Glaxo	110	P & O Dfd	21	Wellcome	60	Tuskar Res	[illegible]
Brit Aerospace	35	Grand Met	67	Racal Elect	8	**PROPERTY**		Ultramar	[illegible]
British Steel	6	GRE	17	RHM	15	Brit Land	27	**MINES**	
Brit Telecom	33	Hanson	17	Rank Org	35	Control Sec.	2	RTZ	[illegible]
Cadburys	36	Hawker Sidd	55	Ratners	2	Land Sec.	41		

DECLINE OF THE MAXWELL EMPIRE

DTI was looking into MCC share deal in October

By Bronwen Maddox and Peter Martin

THE government [illegible] still considering complaints about dealings between Mr Robert Maxwell and Goldman Sachs one month after appointing [illegible] investment bank to head the US sale of shares in British Telecommunications.

On October 17 1991, Mr [illegible] Lilley, trade secretary, wrote a letter to a private [illegible] [illegible] had complained [illegible] Robert Maxwell's sale of a "put" option on the shares of Maxwell Communication Corporation to Goldman Sachs in August 1990.

The option [illegible] Goldman Sachs the right to sell MCC [illegible] to Mr Maxwell at a future date.

Mr Lilley's letter said: "The [illegible] you [illegible] remain under consideration by my officials."

The investment house was appointed [illegible] the BT sale in September 1991, replacing Salomon Brothers [illegible] had been dropped [illegible] of [illegible] manipulation of US Treasury bond auctions.

Before appointing Goldman Sachs, the Treasury demanded [illegible] [illegible] that [illegible] had never taken part in [illegible] action which could affect [illegible] ability to sell the BT [illegible]

The investor, [illegible] [illegible] not wish to be named, wrote to the DTI after complaining to the London Stock Exchange [illegible] the [illegible] and Futures Authority.

[illegible] April [illegible] 1991, he was told by Mr [illegible] Hucker, head of [illegible] [illegible] Complaints Bureau, that "several departments of the Stock Exchange have looked, or [illegible] still looking into, your complaint."

In a letter to Mr Lilley [illegible] September 16, [illegible] investor asked if the DTI had passed information to the Treasury.

Mr Lilley's letter did not answer the [illegible] [illegible], but added: "I can tell you that [illegible] [illegible] did [illegible] a thorough examination of all the firms being considered for the [illegible] of lead manager of the US [illegible] [illegible] the BT share sale. In the light of this examination and of wide-ranging assurances given by Goldman Sachs, the Treasury [illegible] no reason to doubt [illegible] appropriateness [illegible] the appointment."

Both the DTI and the Stock Exchange refused [illegible] comment. [illegible] night Goldman [illegible] [illegible] [illegible] know [illegible] the matter [illegible] under consideration, but we do know [illegible] is [illegible] investigation." Goldman said that it had [illegible] been asked any questions by [illegible] DTI [illegible] the put option.

Goldman [illegible] [illegible] an [illegible] market maker in MCC [illegible]. The [illegible] of the "put" option would have given [illegible] purchaser an incentive [illegible] buy MCC shares.

Goldman Sachs was, according [illegible] market traders, a [illegible] bidder for MCC [illegible] at [illegible] when [illegible] [illegible] under pressure during 1990 and early 1991.

Goldman has [illegible] it already held a large [illegible] in MCC when it bought [illegible] Maxwell put option in August 1990, and [illegible] buying options [illegible] a normal way [illegible] hedging a long position in a volatile stock.

Creditors shocked to hear restated valuation of private companies' assets and liabilities leaving an enormous black hole

Banks will stay their hand until Friday

By Robert Peston and Raymond Snoddy

MR KEVIN MAXWELL faced the barrage of cameras alone yesterday to announce his resignation as chairman of Maxwell Communication Corporation and to say that once again [illegible] banks had stayed their hand – at least until Friday.

Mr Maxwell, who has been chairman of MCC for virtually a month to the day since his father Robert was pulled from the sea off the Canary Islands, had come to the press conference from the latest meeting with the banks.

He had to tell them that the debts on the family's private interests, the Robert Maxwell Group, [illegible] significantly larger than expected. It [illegible] [illegible] [illegible] [illegible] [illegible] the man who has spent the past month working 18 hours a day.

Mr Kevin Maxwell said that *he and his brother Ian had* [illegible] from the MCC board because "it [illegible] evident that increasing conflicts [illegible] [illegible] have arisen" and resignation [illegible] in the [illegible] [illegible] [illegible] [illegible] [illegible] employees.

"The [illegible] [illegible] [illegible] [illegible] must not think that [illegible] inquiries into [illegible] company affairs will [illegible] impeded in any [illegible] by [illegible] [illegible] loyalty I [illegible] [illegible] my [illegible] father," [illegible] [illegible].

The potential conflicts [illegible] [illegible] the [illegible] of indebtedness between [illegible] private and public companies [illegible] any [illegible] or provisions in the public companies if the Robert Maxwell Group were [illegible] [illegible] into administration [illegible] receivership.

Mr Kevin Maxwell exuded an air of fatalism yesterday. There were [illegible] "sacred cows" how[illegible] much the [illegible] admired The European [illegible] *the traditions* [illegible] the Daily Mirror.

"When [illegible] are in [illegible] position where you require [illegible] standstill of your banks you cannot [illegible] [illegible] [illegible] What you can [illegible] responsibly is put forward [illegible] proposals [illegible] [illegible] banks which they can [illegible] and elect whether [illegible] [illegible] [illegible] [illegible] your advice," [illegible] Mr Maxwell, clearly relieved that there [illegible] at [illegible] [illegible] breathing [illegible] until Friday.

The bankers who [illegible] Mr [illegible] Maxwell earlier in [illegible] morning had [illegible] [illegible] by [illegible] they had [illegible]

"When we [illegible] given [illegible] [illegible] valuation [illegible] [illegible] private companies' [illegible] [illegible] liabilities, [illegible] [illegible] an audible gasp", [illegible] a banker from one of the 30 banks with £900m [illegible] [illegible] [illegible] the private companies.

"Just [illegible] a week ago, we [illegible] [illegible] that [illegible] debt [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] were worth £1.4bn, [illegible] [illegible] [illegible] of [illegible] preliminary [illegible] by [illegible] accountants, Coopers Deloitte, and [illegible] US bank, [illegible] Trust", [illegible] [illegible]. "Now we [illegible] confronted by [illegible] [illegible] [illegible] [illegible] As you [illegible] imagine, [illegible] were [illegible] lot of [illegible] bankers in that room".

The [illegible] turn in the crisis began late [illegible] Friday. NM Rothschild, the merchant bank hired [illegible] [illegible] to [illegible] the private companies, had requested detailed information *from the companies on their* debts. What [illegible] merchant bank [illegible] told, [illegible] its horror, was that the calculation [illegible] bank [illegible] [illegible] an incomplete picture of the private [illegible]nies' liabilities.

The private companies owed [illegible] £300m [illegible] [illegible] two [illegible] well public companies, MCC and [illegible] The bulk [illegible] [illegible] – [illegible] £250m – had [illegible] borrowed, directly and indirectly, from MCC.

In addition, [illegible] private [illegible] [illegible] [illegible] [illegible] [illegible] £30m and [illegible] worth [illegible] MCC [illegible] MGN shares from the pension funds [illegible] [illegible] [illegible] companies – though those figures [illegible] subject [illegible] revision, according [illegible] [illegible] banker. [illegible] shares [illegible] then [illegible] used by [illegible] private companies [illegible] provide collateral on the private [illegible]nies' bank loans.

There was in effect [illegible] "[illegible] hit" [illegible] [illegible] private companies, in [illegible] words [illegible] a banker. They [illegible] money [illegible] [illegible] pension funds and [illegible] [illegible] pro[illegible] [illegible] the [illegible] was in [illegible]tion.

[illegible] [illegible] Bank, [illegible] clearing bank co-ordinating [illegible] [illegible] of [illegible] private companies, and [illegible] Lyonnais, [illegible] French [illegible] which [illegible] lead [illegible] [illegible] [illegible] were informed [illegible] [illegible] newly uncovered liabilities.

[illegible] [illegible] [illegible] Mr [illegible] Kent, [illegible] director of [illegible] [illegible] [illegible] England, [illegible] the [illegible] [illegible] preventing Heading[illegible] Investments and other Maxwell companies from going [illegible] administration [illegible] receded.

However, the Bank of England [illegible] [illegible] [illegible] had [illegible] [illegible] to intervene [illegible] negotiations [illegible] the [illegible] private companies [illegible] [illegible] [illegible].

When the banks [illegible] [illegible] private companies were told about [illegible] liabilities early yesterday, they were furious. [illegible] had [illegible] [illegible] [illegible] them [illegible] [illegible] [illegible] of [illegible] public companies' pension funds. These letters disputed the banks' rights [illegible] dispose of shares [illegible] banks thought they *controlled* [illegible] *collateral*.

In addition, the [illegible] did not [illegible] why they had not [illegible] informed earlier of [illegible] loans [illegible] [illegible] public [illegible] private companies. When Mr Robert [illegible] [illegible] [illegible] month [illegible] his [illegible] Mr Kevin [illegible] [illegible] Ian Maxwell, had said they would give [illegible] full [illegible] frank [illegible] of [illegible] companies' finances.

On the [illegible] of this commit[illegible] [illegible] banks continued [illegible] support [illegible] private companies. "I [illegible] not understand why [illegible] were not told [illegible] [illegible] inter[illegible] loans earlier", said a banker.

But it was not only the ability of the private companies [illegible] avoid receivership [illegible] administration that had been called *into question. MCC's* [illegible] [illegible] to the private companies put [illegible] viability in doubt.

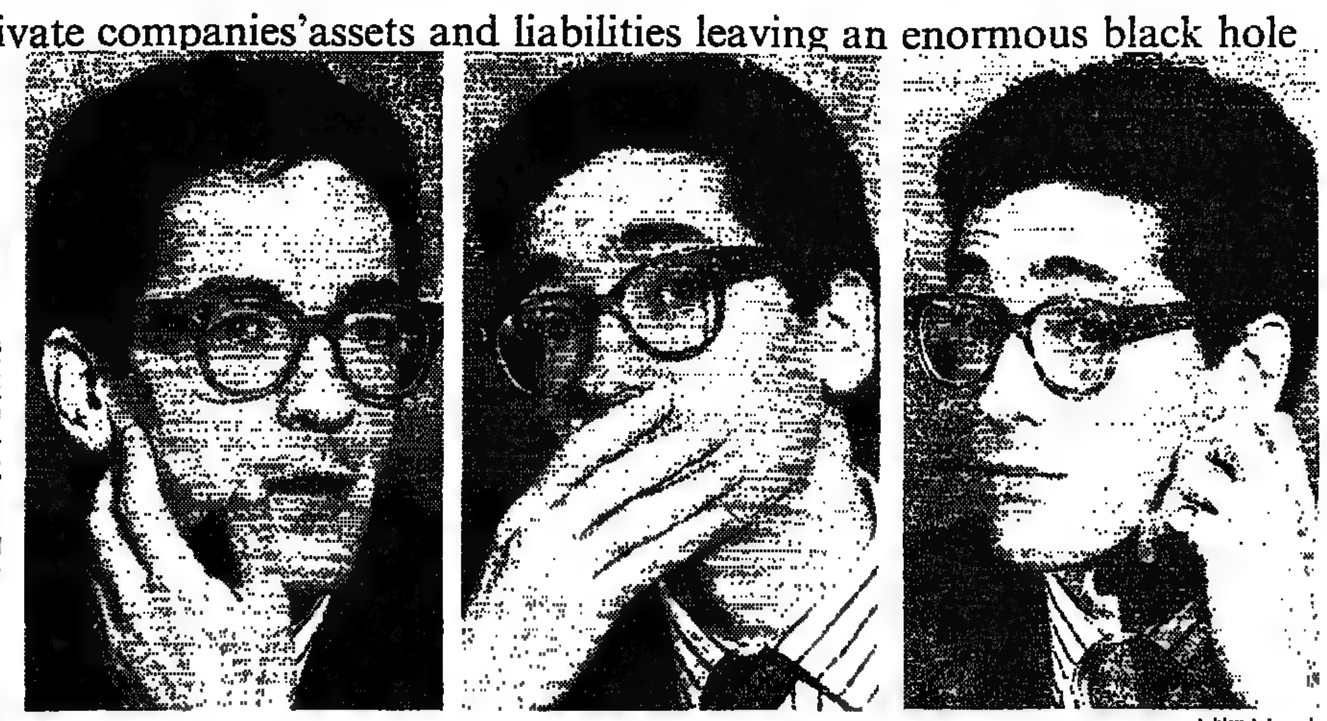
Credit Lyonnais is co-arranger of two big MCC loans: [illegible] [illegible] (£424m) revolving credit, repayable next year, and a $1.25bn term loan, due for repayment in [illegible] So it called [illegible] emergency meeting of [illegible] bank syndicate [illegible] Monday, which [illegible] followed by another meeting yesterday.

Just under 40 banks [illegible] involved in the syndication of those loans. They are keenly interested in whether there is any possibility of the Maxwell private companies repaying [illegible] [illegible] owed [illegible] MCC. If that [illegible] [illegible] written off, then [illegible] chances of MCC avoiding administration would also be reduced.

At yesterday's [illegible] conference Mr Kevin Maxwell [illegible] asked [illegible] it [illegible] true that he [illegible] been kept totally in the dark by [illegible] father.

That would not be right because they had been board colleagues for many years.

"Clearly [illegible] didn't know everything and clearly he had a style of business where probably you had a need to know rather than [illegible] sharing of information [illegible] the time," [illegible] [illegible] Kevin Maxwell, who yesterday repeated his promise that when the full facts [illegible] known they will be publicly revealed.



Ashley Ashwood

Kevin Maxwell at a [illegible] conference yesterday, where he announced his resignation as chairman of [illegible]

MGN fund's self-investment pattern raises questions

By Norma Cohen, Investments Correspondent

IF MIRROR Group Newspapers had simply invested some of its pensioners' money [illegible] other companies controlled by Mr Robert Maxwell, its late proprietor, it would have broken no law, pensions experts said.

Of Mirror Group's 20 largest investments, totalling £161m as of April 5 1990, roughly £43m – about 10 per cent of the total fund – were in companies in which Mr Maxwell or his family had an interest. Any decline in the value of these investments – which include a stake in MCC – has not yet been reflected. The total assets of the fund were valued at £431m in April 1990 – the last period for which accounts have been prepared.

Ironically, limits on self-investment, agreed in the Social Security Act of 1988, are to take effect for the first time only next year. The National Association of Pension Funds, the trade group for the industry, [illegible] urged [illegible] [illegible] [illegible] self-investment completely, saying it gives rise [illegible] charges [illegible] [illegible] [illegible] [illegible].

However, [illegible] pattern [illegible] investments, [illegible] [illegible] by the pension [illegible] [illegible] accounts, [illegible] [illegible] several questions [illegible] whether [illegible] [illegible] – and their [illegible] [illegible] – [illegible] their legal obligation [illegible] be "prudent" with employees [illegible].

While [illegible] pension fund [illegible] [illegible] advisers, [illegible] was Bish[illegible] Investment Management, a [illegible] [illegible] by Mr Maxwell, which managed [illegible] half [illegible] pension fund monies, according [illegible] [illegible] [illegible] 1990 annual report. [illegible] property investment adviser [illegible] Per[illegible] Holdings Property Department, [illegible] [illegible] related company.

First, [illegible] Mirror Group's [illegible] largest UK equity [illegible] are [illegible] [illegible] [illegible] chip UK equities, but [illegible] in a series of [illegible] companies and property. "I [illegible] [illegible] [illegible] would [illegible] highly unusual," said Mr John Rogers, [illegible] [illegible] at the National Association of [illegible] Funds. "Personally, [illegible] [illegible] heard [illegible] it."

Also, none [illegible] the fund's [illegible] are [illegible] in [illegible] government bonds – [illegible] [illegible] [illegible] all sterling securities – and [illegible] mere £2m are in index-linked stock. Also, roughly [illegible] per cent [illegible] the fund's [illegible] investments are in [illegible] [illegible] – unusual for a pension fund whose liabilities are exclusively in sterling.

Pension funds are expected to [illegible] [illegible] with liabilities and [illegible] [illegible] significant non-sterling exposure [illegible] [illegible] currency [illegible]. On [illegible], UK pension [illegible] have roughly 60 [illegible] [illegible] [illegible] funds in quoted UK equities [illegible] no [illegible] than [illegible] per cent [illegible] abroad.

[illegible] unusual the spread [illegible] [illegible] [illegible] be, it [illegible] not [illegible] that any law [illegible] [illegible] by them, according [illegible] Mr Robin Ellison, partner [illegible] Ellison Westhorp, [illegible] pension law[illegible].

[illegible] are currently very [illegible] [illegible] governing pension fund investments. However, the [illegible] [illegible] required [illegible] [illegible] by general UK Trust [illegible] which requires [illegible] [illegible] [illegible] as "ordinary men of business" investing money prudently [illegible] behalf [illegible] others. That [illegible] [illegible] funds must [illegible] spread properly across [illegible] range [illegible] investments and in reasonably safe [illegible].

Perhaps more unusual, [illegible] [illegible] experts said, is [illegible] disclo[illegible] that MGN's pension fund [illegible] loaned stock to the Maxwell family's private [illegible]nies and received no collateral for them – contravening basic [illegible] lending practices.

There [illegible] nothing [illegible] with [illegible] lending itself which is [illegible] time-honored practice in the City. Beginning in early 1991, UK pension funds [illegible] exempted from [illegible] [illegible] liabilities on stock lending, pro[illegible] the lending occurred in a prescribed manner.

According to the Stock Exchange, which [illegible] [illegible] [illegible] [illegible] lending, all [illegible] [illegible] be handled through money brokers who keep [illegible] [illegible] [illegible] [illegible] counterparties and [illegible] as an intermediary for [illegible] receipt [illegible] collateral, typically in [illegible] form [illegible] high-quality short [illegible] securities. If [illegible] borrower [illegible] [illegible] return [illegible] stocks, [illegible] lender may sell [illegible] collateral [illegible] [illegible] [illegible] [illegible].

Ironically, limits on self-investment, agreed in the [illegible] Security Act of 1988, are to take [illegible] for the first time only next year. The National Association of Pension Funds, the trade group for the industry, has urged trustees to avoid self-investment completely, saying it gives rise to charges of conflict of interest.

Final autopsy report due today

By [illegible] Bruce in [illegible]

A FINAL autopsy report [illegible] the death of Mr Robert Maxwell is expected to be passed to the investigating judge in [illegible] today following examina[illegible] [illegible] tissue [illegible] [illegible] his body by a [illegible] laboratory in Madrid.

The report [illegible] [illegible] to pathologists [illegible] first examined Mr [illegible] corpse in [illegible] Canaria [illegible] his death [illegible] [illegible] off the [illegible] Islands on November [illegible]

It was [illegible] yesterday [illegible] the contents of [illegible] final autopsy would be made public in [illegible] effort to clear the flood of suspicion [illegible] surrounded his [illegible]. The Tener[illegible] authorities are under [illegible] obligation to make the findings public.

[illegible] Gran [illegible] pathologists, nevertheless, have been suggesting privately [illegible] [illegible] final report [illegible] their original findings [illegible] [illegible] [illegible]well [illegible] [illegible] [illegible] [illegible] on board his yacht [illegible] falling overboard and [illegible] he [illegible] already suffering from chronic [illegible] [illegible].

Attention in US focuses on future of Macmillan and OAG

By Alan Friedman in New York

WITH THE [illegible] family under increasing pressure [illegible] deal with [illegible] group's [illegible] woes, attention [illegible] [illegible] US [illegible] on the future [illegible] Macmillan Publishing and the Official Airlines Guide [illegible], the group's [illegible] main North [illegible] holdings.

Mr David Shaffer, the president of Macmillan [illegible] [illegible] yesterday named chief [illegible]tive of MCC, claimed he [illegible] not aware [illegible] any new offers for the US p[illegible]. He said that since the [illegible] of [illegible] year-long asset disposal programme "there are [illegible] more [illegible] [illegible] sale."

Wall [illegible] analysts and [illegible] in the publishing industry [illegible], however, undaunted by Mr [illegible] remarks and began speculating about a possible [illegible] of more US holdings.

The [illegible] [illegible] of [illegible] rival US publisher, who asked not [illegible] be named, said he was [illegible] [illegible] Macmillan [illegible] not formally on the auction block, but he indicated an [illegible] in acquiring "some pieces [illegible] Macmillan".

The perception in US publishing circles [illegible] that Macmillan, which had about $900m of revenues in [illegible] financial year to March 31, is a profitable company whose cash flow is quickly swept up by its [illegible] parent. "It is like Bloomingdales, which made money, but [illegible] [illegible] into bankruptcy [illegible] [illegible] the debt [illegible] its owner," [illegible] [illegible] senior rival publishing [illegible]tive.

[illegible] [illegible] performance is hard [illegible] measure because it is included in [illegible]all UK group figures, but [illegible] [illegible] can be found in [illegible] [illegible] last March that some 70 per cent [illegible] its assets – which are in North [illegible] – generated roughly 90 [illegible] cent [illegible] group operating profits. [illegible] would suggest that Macmillan and [illegible] together accounted for more than [illegible] of operating income.

Macmillan, which [illegible] acquired by Mr [illegible] in 1988 for [illegible], [illegible] ranked last year as the 11th largest [illegible] publisher, just above Mr Rupert [illegible] Harper Collins. [illegible] company is thought by industry insiders to [illegible] doing well and has [illegible] in recent months from [illegible] sellers such [illegible] the original [illegible] [illegible] [illegible] Wind, [illegible] [illegible] enjoyed renewed sales since the publication by Warner Books of Scarlet, the sequel.

Macmillan's [illegible] recent string [illegible] [illegible] disposals, [illegible] began long before Mr [illegible] [illegible] [illegible] [illegible] the [illegible] [illegible] [illegible] of Macmillan's professional [illegible] business reference [illegible] and [illegible] [illegible] for $12.5m of the medical [illegible] operations, [illegible] in September. October saw [illegible] [illegible] for [illegible] of Macmillan's directory division and last [illegible] brought [illegible] announcement of a planned $265m [illegible] [illegible] a 55.6 per cent stake in Berlitz, [illegible] language schools [illegible]. The latest disposal was a $157.5m [illegible] in mid-November of Macmillan's computer pub*lishing division: this price* compared [illegible] [illegible] book value of [illegible]

With [illegible] [illegible] these disposals stripped out of Macmillan, the publisher's expected [illegible] turnover is estimated at about [illegible]

Mr Shaffer said OAG, acquired in [illegible] for $750m, [illegible] also [illegible] for sale.

In [illegible] York, meanwhile, [illegible] loss-making Daily News sought [illegible] distinguish itself from Macmillan [illegible] OAG [illegible] it is privately owned by the Maxwell family. Mr [illegible] received [illegible] from [illegible] Tribune Company of [illegible] last March when he took [illegible] the New York tabloid, but much [illegible] this [illegible] expected [illegible] [illegible] to [illegible] [illegible] losses.

[illegible] John Campi, [illegible] vice president of the newspaper, said he [illegible] confident that Mr Kevin Maxwell, chairman of the Daily News, would remain committed [illegible] the newspaper. Mr Maxwell [illegible] [illegible] one-day trip [illegible] New York shortly [illegible] his father's death.

Worldwide spread of interests

THE MAXWELL family's private interests run from newspapers in Kenya [illegible] helicopters in [illegible] North [illegible] [illegible] football [illegible] in [illegible] UK.

By [illegible] [illegible] largest [illegible] [illegible] [illegible] International, the market research [illegible] Mr Robert Maxwell bought [illegible] [illegible] in 1988.

Hit by heavy restructuring costs, [illegible] reported [illegible] [illegible] in the second half of [illegible] year after earning £24m [illegible] operating profits in the previous [illegible] months.

[illegible] famous of [illegible] Maxwells foreign [illegible] [illegible] [illegible] Daily [illegible] in [illegible] York, acquired in March.

In the City, the Maxwells [illegible] London [illegible] Bishopsgate Group which runs [illegible] collection [illegible] investment companies in the UK and abroad and offers financial [illegible]

Bishopsgate Investment management is [illegible] of [illegible] of the pension funds of Maxwell companies which are [illegible] the subject of intense scrutiny by external auditors and regulators.

Bankers [illegible] the Maxwell private and public companies confirmed yesterday that [illegible] [illegible] to [illegible] of Mirror Group Newspapers and Maxwell Communication Corporation shares held by [illegible] of the pension [illegible] had [illegible] borrowed by private Maxwell companies.

Contrasting characters to take over

By Guy [illegible] Jonquières and Nikki Tait

[illegible] CONTRAST marks [illegible] pair [illegible] men chosen yesterday [illegible] take [illegible] the reins [illegible] [illegible] Communication Corporation, [illegible] deeply troubled UK-US publishing group, from Mr Kevin Maxwell.

Mr [illegible] Laister, the new [illegible] [illegible]man, is known for his failure to couple his lively imagination for strategic initiatives with sound financial discipline.

Mr David Shaffer, [illegible] new American chief executive, [illegible] wide management experience in Macmillan and the [illegible] Airlines Guide, [illegible] two main US [illegible]nies which form the heart of MCC.

Mr Laister's appointment marks an ironic reversal of fortune [illegible] a man who last hit the headlines six years ago when a [illegible] [illegible] [illegible] him [illegible] chairmanship of Thorn EMI. In his two years at the helm [illegible] Thorn, Mr Laister gained a reputation as an [illegible] visionary, with vaulting ambitions to transform the music, [illegible] and consumer electronics group into a high-technology powerhouse.

His faith [illegible] the advanced technologies as the key [illegible] [illegible] industrial future prompted Thorn [illegible] [illegible] a grateful government of its stake in Inmos, the struggling microchip company, in 1984.

Soon afterwards, Thorn flirted with the idea [illegible] a merger with [illegible] newly-privatised British Aerospace. But its overtures were firmly rebuffed by BAe, which [illegible] it clear that it saw [illegible] industrial logic in the [illegible]. That episode severely [illegible] Thorn's credibility with [illegible] City, which had never [illegible] much sympathy with Mr Laister's penchant [illegible] grand strategies. His [illegible] came in July 1985, [illegible] [illegible] [illegible] collapse in profits prompted a boardroom coup.

After leaving Thorn with [illegible] £440,000 golden handshake – then [illegible] [illegible] [illegible] largest ever [illegible] – [illegible] new management imposed swingeing [illegible] [illegible] and [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] manufacturing busi[illegible].

In [illegible] past five years, Mr Laister has forged increasingly [illegible] links with the [illegible] [illegible] empire. He [illegible] [illegible] as [illegible] director of several media, [illegible] and [illegible] companies in which Mr Maxwell had stakes, and [illegible] month [illegible] named *deputy* [illegible] *of MCC*.

He played a central role in the 1987 purchase by MCC of Nimbus records, Britain's largest compact [illegible] maker, and the [illegible] [illegible] a joint venture [illegible] Nimbus [illegible] Philips, [illegible] Dutch electronics company, in advanced information systems.

[illegible] [illegible] has [illegible] [illegible] as [illegible] company doctor [illegible] [illegible] troubled companies, including Oceonics, [illegible] offshore services company, and Finance, Land and General Holdings, [illegible] [illegible] and property group.

When Mr Shaffer's company [illegible] bought by MCC in [illegible] he probably [illegible] imagined becoming [illegible] executive of [illegible] UK-based publishing empire within three years. Still [illegible] that [illegible] would catapulted into this role by a corporate banking crisis which Mr [illegible] [illegible] [illegible] triggered.

Yet [illegible] [illegible] was any message which MCC's newly-appointed chief executive was trying [illegible] [illegible] yesterday, [illegible] [illegible] "[illegible] as usual". No, he [illegible] emphatically, [illegible] were no [illegible] within the public company which [illegible] for sale.

"The [illegible] [illegible] [illegible] early this [illegible] and was completed with the disposal of Biarritz."

Had [illegible] [illegible] even [illegible] inquiries? "Not that I'm [illegible] of," [illegible] responded.

Declining [illegible] [illegible] details [illegible] MCC's debts, Mr Shaffer did volunteer an equally sanguine view [illegible] the [illegible] which the recent sequence of [illegible] [illegible] had on underlying business within the publishing group.

"I think," he remarked with [illegible] British sang-froid, "that there's [illegible] very lit*tle impact on operations*".

Mr Shaffer, 48, [illegible] a relative [illegible] [illegible] the [illegible] empire. [illegible] [illegible] encountered [illegible] business when Dun [illegible] Bradstreet decided [illegible] sell its Official Airlines Guide subsidiary to MCC for $750m in 1988. [illegible] was president [illegible] OAG, [illegible] main [illegible] [illegible] which involves [illegible] collation and publication [illegible] worldwide airline scheduling and [illegible] data.

At the time of [illegible] sale, OAG had [illegible]nues [illegible] [illegible] $180m [illegible] and [illegible] making profits of about $65m. It also took in Thomas Cook Travel, which operated some [illegible] offices in the US and where [illegible] Shaffer was vice-president.

[illegible] joining MCC, his responsibilities [illegible]. He started [illegible] look [illegible] some [illegible] the businesses which [illegible] acquired as part [illegible] the Macmillan publishing empire, as [illegible] as some [illegible] [illegible] [illegible] in [illegible] UK. As a result, [illegible] said, he has been jetting between the [illegible] countries for [illegible] time, although his home remains in New Canaan, Connecticut.

Peter Laister, appointed the new chairman

David Shaffer, the new chief executive

UK COMPANY NEWS

UniChem in £35m cash call and £27m pharmacy buy

By Peggy Hollinger

UNICHEM, the UK pharmaceuticals wholesaler whose bid for Macarthy has been referred to the Monopolies and Mergers Commission, is stepping up its move into retailing through a £35.1m rights issue and the separate £27m acquisition of E Moss, one of Britain's leading pharmacists.

The 1-for-4 rights issue at 148p per share was accompanied by a pre-tax profits forecast of £21m for 1991, compared with £16.4m last time. News of the cash call depressed the shares by 7p to 177p.

Mr Peter Dodd, chief executive said the group would pay £27m in cash and shares for Moss, which has 92 outlets mainly in the south east of England. After the deal, UniChem will own 131 stores of which 130 were purchased in the last 12 months.

UniChem intends to build up a franchise network using some Moss stores and its own existing outlets.

Moss [illegible] expected to bring [illegible] to UniChem's wholesaling business and £15m to retailing turnover. UniChem enjoys about 29 per cent of the UK wholesale market.

UniChem will issue 9.8m shares worth £17.2m to Moss vendors at a price of 176.16p, plus £8m cash. A final payment not expected to exceed £1.4m will be made after a review of [illegible] accounts. About [illegible] of [illegible] have agreed to the offer.

Ashley Ashwood
Peter Dodd: talks on a possible buy in western Europe

Moss's vendors will hold about 8 per cent of the enlarged group after the rights, for which they will not be eligible. UniChem is some 60 per cent owned by 4,400 pharmacists which are also the wholesaler's customers.

Proceeds from the rights will be used to fund further retail acquisitions in the UK and wholesaling businesses in continental Europe. Mr Dodd said the group was in talks on a possible purchase in western Europe, which could amount to between £8m and £1[illegible].

UniChem's acquisition follows its thwarted attempt to take over Macarthy, the drugs retailer and manufacturer. Mr Dodd said the group would re-examine its position on the bid when the commission announced its decision. "It depends what I would have to bid," he said. "I think there will be two to three players then."

Mr Dodd said he did not expect the Moss purchase to be referred as the retailer had distributed its own pharmaceuticals. "Having said that, I don't think anybody would be prepared to put money down on the OFT."

Leeds overcomes sales downturn to show profit rise

By Daniel Green

INCREASING DEMAND for smaller contracts meant higher margins on [illegible] at Leeds Group, [illegible] and printer.

However, the rise in full-year profits [illegible] held back by a sharp increase in provisions at [illegible] Yorkshire Insurance, in which the group has [illegible] 35 [illegible] stake.

Turnover slipped to £31.4m (£33m), while pre-tax profits rose to £4.11m (£4.01m), including a £381,000 loss from the insurance company stake.

The shift to short-run contracts was a result of both the recession, as clothes manufacturers became reluctant to commit themselves to long print runs of fabrics, and a more fickle public taste for fashion.

Profits were also supported by the company's diversification away from apparel dying and printing to furniture fabrics and military camouflage. Leeds has won contracts from five defence ministries outside the UK.

It has meant that Leeds' larger machines have been operating at below capacity.

"We have seen a very substantial downturn in the volume business", said Mr Robert Wade, the chairman and managing director.

The short run, fast delivery, contracts which took precedence attracted higher prices, however.

Mr Wade said that the change was a structural one for the industry. Retailers were increasingly likely to demand rapid response and keep stocks low.

The results included five months from Strines Textiles, bought for £5.1m in March.

The acquisition was made partly with new shares. With the [illegible] of acquisition this meant a fall in earnings per share to 25p (25.2p), despite a lower tax charge.

A proposed final dividend of 6.75p lifts the total for the year to 9.75p (9.25p).

● COMMENT

It is hard to find a textiles company that has weathered recession as well as Leeds. Granted, large chunks of the business have suffered, but to get premium prices while high street clothing sales have slumped is no mean feat.

Capital investment remains high, as it must do to cope with rapidly changing patterns of demand. More acquisitions are in the pipeline and the City is disposed to look favourably on them when they come.

Profits for the current year could be as high as £4.8m and the unexceptional p/e of about 11 means that there should be steady demand for the shares.

NEWS DIGEST

Anglo-Irish Bank calls for I£26m

THE ANGLO-IRISH [illegible] Corporation [illegible] to raise I£26.1m (£24.3m) through [illegible] 1-for-1 [illegible] issue.

The issue, of 60.2m shares at 46p apiece, is underwritten by AIB Capital Markets; the bank has been advised by Goodbody Corporate Finance.

Anglo-Irish, formed 27 years ago out of the City of Dublin Bank, is the third largest bank in the Republic with assets of I£765m. It is a niche-player specialising in commercial mortgages to high net worth individuals.

[illegible] rights issue means that its total capital base rises from I£48m to I£75m.

This is the second time in [illegible] Anglo-Irish [illegible] to [illegible] shareholders for cash. In 1989 it raised I£20m.

The [illegible] yesterday that it had no specific purpose in making [illegible] rights issue other than generating increased earnings per share. "We want to properly position ourselves to take advantage of opportunities on the market."

[illegible] largest shareholder is Ensign Investment Trust which controls a 12.6 [illegible] stake.

Evans of Leeds edges higher

[illegible] Leeds, the property investment [illegible] development [illegible], continued [illegible] growth [illegible] a modest advance, [illegible] to £3.45m, in [illegible] profits [illegible] end-September.

The [illegible] roll improved to [illegible] against £17m at [illegible] beginning of the [illegible] a year earlier.

The company [illegible] the [illegible] achieved [illegible] spite of continuing adverse conditions affecting the property investment industry.

Total [illegible] was 13 per cent higher at £9.33m (£8.23m). Earnings per share improved [illegible] (3.35p) [illegible] is increased [illegible] 1.18p to 1.3p.

Rental income had shown a worthwhile increase, directors said, [illegible] the policy [illegible] developing only where pre-lets [illegible] obtained [illegible] continuing.

Mid Southern Water [illegible] £3.9m

Mid Southern Water [illegible] profits of [illegible] pre-tax for the half year to September 30 from turnover of £15.3m.

For the 15 months to March 31 1991 the company [illegible] taxable profits of £5.78m from turnover of £30.9m. Directors said, however, that the comparable figures were not meaningful because of the company's conversion to plc status in August 1991.

Earnings for the half year emerged at 105.3p. An interim dividend of 55.5p per ordinary and non-voting ordinary share is declared. In addition, a special 28.4p per ordinary and non-voting share [illegible] also being paid, representing an appropriate return to shareholders for [illegible] period since the implementation of the new regulatory arrangements introduced by [illegible] Water Act [illegible].

Gestetner expands via Canadian buy

[illegible] Holdings, the international copier group, [illegible] paying [illegible] for Savin Canada, which [illegible] services [illegible] copiers and facsimile machine, manufactured by [illegible] Japan, throughout Canada.

[illegible] 1990, Savin Canada achieved taxable profits of £1.7m on [illegible] of £36.7m. [illegible] assets, excluding goodwill, amounted [illegible] £7.5m. [illegible] acquisition, [illegible] subject [illegible] Canadian government approval, will give [illegible] some [illegible] per [illegible] copier placements.

Net assets rise at Northern Investors

Northern Investors Company, the Newcastle-based venture capital group, reported net asset value of 276.8p at September 30, compared with 255.6p at March 31 and [illegible] earlier.

During [illegible] six-month period [illegible] investment in [illegible] Vassallo, [illegible] fish wholesaler, was [illegible] making [illegible] total return of £2.5m, compared [illegible] an original [illegible] of [illegible].

[illegible] pre-tax surplus was £282,000 (£179,000) [illegible] earnings per share coming out at 5.4p (3.6p). The interim dividend is raised to 3.5p (3p).

Syltone static at £1.17m

Profits of Syltone, the transport engineering services company, were virtually [illegible] £1.17m pre-tax [illegible] half [illegible] ended September [illegible].

The figure, up from £1.11m previously, [illegible] struck [illegible] taking [illegible] of [illegible] £70,000 [illegible] in [illegible] charges to £117,000. Turnover amounted to £16.9m (£15.3m).

Fully diluted earnings rose to 8.4p (7.8p) and the interim [illegible] lifted to 3.15p (3p).

Mr Tony Clegg, chairman, [illegible] "Although [illegible] be over both [illegible] in the US, [illegible] remainder of the year will require careful monitoring to maintain existing [illegible] of profitability."

Net assets ahead at Dundee & London

The net asset value of [illegible] London Investment Trust rose by some 11 per cent, from 250p to 277p per share, over the 12 months to October 31.

Attributable revenue, however, slipped to £1.9m (£2.03m) leaving earnings [illegible] 11.32p (12.08p) per share.

Nevertheless, the final dividend is maintained [illegible] 8.2p for [illegible] same-again total of 12p.

Strong order book at Creighton's

[illegible] Creighton's Naturally, [illegible] toiletries and fragrances manufacturer, continued to recover in the six months to end-September.

Interim profits advanced to £565,000 which compared with [illegible] in [illegible] year's first half [illegible] £720,000 for the full 12 months.

Mr Richard Collard, chairman, said the increase reflected careful monitoring of operating costs. The period saw [illegible] further reduction in stock levels and an improved cash position. The order book to Christmas [illegible] "very strong" he stated.

Turnover [illegible] to £5.23m (£5.57m). [illegible] interim [illegible] is raised from 1.8p to 2p, [illegible] earnings of 8.4p (7.2p) [illegible] share.

Dutch expansion at Wolstenholme Rink

Wolstenholme Rink, [illegible] shire-based metal powders manufacturer, is [illegible] acquire Netherlands-based Douw Beheer, a speciality chemicals concern which trades as PCO.

Initial consideration is Fl 18.9m (£5.81m); a maximum [illegible] sum [illegible] Fl 4.4m is also payable dependent on profit levels. Wolstenholme will issue 635,280 new shares to the vendor at 274p apiece with the balance in cash.

News of Wolstenholme's purchase was accompanied by a forecast that its final dividend would be maintained at 10p, making a same-again 16.8p for the year.

Marginal fall at Jarvis Porter to £1m

Jarvis Porter, [illegible] specialist label printer, reported pre-tax profits down by 9 per [illegible] to £1m in the six months to August 31.

The figures compared with £1.1m last time and came from turnover down from £14.2m to £13.3m. The interim dividend is maintained at 1.4p and is being paid from earnings per share down from 4.2p to 3.1p.

Mr Paul Jarvis, chairman, said the figures reflected the difficult trading conditions resulting from a destocking by the group's customers, particularly in the spirits industry which suffered in the early part of the year from the effects of the Gulf war.

The acquisition in June of Holmes McDougall had given the group a broader customer base, Mr Jarvis added.

The operations [illegible] the other Scottish plant, which was closed in July, had been transferred to Holmes McDougall.

The long-term benefits expected to arise from combining the [illegible] production facilities were being assessed, the chairman said, and if the operational and financial advantages [illegible] confirmed, [illegible] exceptional provision not exceeding [illegible] would be created in the full year accounts.

Hunter Saphir warns on annual profits

By Peggy Hollinger

Hunter Saphir, [illegible] and spice, produce and [illegible] manufacturing [illegible] yesterday warned that full-year [illegible] would be distorted [illegible] termination of insurance payments on a spice factory which [illegible] destroyed by [illegible] in 1989.

The warning [illegible] as the group announced a sharp fall [illegible] pre-tax profits from £3.51m to £1.82m for the six months to September 7.

Turnover rose [illegible] £106.4m.

Last year's results had been inflated, however, by an exceptional gain of £2.1m in insurance payments.

Like-for-like pre-tax profits rose by £400,000.

Mr Nicholas Saphir, chairman, said the British Spice & Pepper factory had contributed profits of £1m [illegible] fire, which have been recovered through insurance payments since then.

Despite sharp gains in turnover as the factory has come back on stream, full recovery would take time, he said.

BS&P was expected to incur [illegible] in the full-year.

Mr Saphir said the group had made good gains in the fresh produce and other herbs and spices businesses.

Fully-diluted earnings per share plunged 70 per cent to 2.56p.

The interim dividend is cut from 1.35p to 1p.

DIVIDENDS ANNOUNCED

	Current payment	[illegible] of [illegible]	Corresponding dividend	[illegible] for year	Total last year
Allied Colloids ......int	0.88	Feb 21	0.8	-	3.5
Archimedes Inv ......fin	14.5	Feb 18	13.25	23.5	20.5
Brent Walker ......int	nil	-	5	-	5
Creighton's § ......int	2	Feb 11	1.8	-	[illegible]
Dundee & London ...fin	8.2	[illegible] 24	8.2	12	12
Eldridge Pope § ......fin	1.76	Feb [illegible]	2.35	2.64	4.1
Evans of Leeds ......int	1.3	Jan 3	1.18	-	3.74
Greene King ......int	3.5	Feb 7	3.3	-	[illegible]
Hunter Saphir ......int	1	Feb 13	1.35	-	5.05
Leeds ......fin	6.75	Jan 22	[illegible]	[illegible]	9.25
Mid Sthrn Water ......int	83.9☆	Dec 20	-	-	-
Northern Investrs......int	3.5	[illegible] 17	3	-	7.5
Seeboard ......int	5	Mar 23	-	-	[illegible]
Syltone ......int	[illegible]	-	3	-	[illegible]
Trafalgar House ......fin	9.6†	Feb 14	9.6	18.4	[illegible]

Dividends shown pence per share [illegible] except [illegible] *Eq[illegible] allowing [illegible] scrip [illegible] †On capital [illegible] rights [illegible] acquisition [illegible] §USM [illegible] 28.4p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- BTP, Cape, Drummond, East Midlands Electricity, Fleming Int'l High Inc, General Electric, Latham (James), Mansfield Brewery, Morris Ashby, Penna, Porter Chadburn, [illegible], Salvesen (Christian), Shanks [illegible] McEwan, Siebe, Tarra (John), Yorkshire Water.

Finals- Avon Rubber, Hanson, Murray Enterprise Inv Trust, Whessoe.

FUTURE DATES

Interims-	
Feedback	[illegible] 10
Halma	Dec. 17
Finals-	
Electronic Data	[illegible] 16
Granada	Dec. 11
Turkey Trust	Dec. 11

UK [illegible] NEWS

Heavy costs leave Brent Walker with £134m loss

By Robert Peston

BRENT WALKER yesterday disclosed that [illegible] paid £43m for advice from lawyers, accountants and merchant banks in its attempt to avoid receivership.

The troubled leisure company gave details of these restructuring costs along with news of losses of £134m before tax in the [illegible] weeks to July 14.

Figures [illegible] the comparable period were not available. New management believed that profits [illegible] last year were "materially overstated" and that no attempt had been made to calculate what they should have been.

Mr John Leach, finance director, pointed out that Brent Walker's core divisions – public houses and brewing, together with betting services – [illegible] made a profit before interest of £34m. These are the businesses that the company would be concentrating on if its restructuring plans were to be put into effect.

However, the interest charge of £118m was £1m more than that paid for the whole of 1990. Mr Leach said there were two main reasons for the increase:

- The group had reduced its work on property developments, which meant that under UK accounting conventions it was less able to capitalise interest in its balance sheet rather than taking it through the profit and loss account.
- It was paying a higher interest rate than last year because its banks had insisted on receiving a wider margin on loans to the group when they agreed to an interim refinancing of debt last year.

There were also exceptional charges of £51m. Of these, £34m represented a provision against the fall in value of development properties and other assets. The rest, £16.6m, [illegible] refinancing costs – mostly fees to lawyers, accountants and merchant bankers.

However, total restructuring costs since the autumn of 1990, when the group first ran into difficulties, amounted to £43m – about £750,000 a week.

Mr Leach said the biggest recipients of fees had been two firms of solicitors: Simmons and Simmons, which [illegible] giving advice [illegible] the [illegible], and Theodore Goddard, advising the banks. In addition, two accountancy firms, KPMG Peat Marwick McLintock and Touche Ross, had received big payments.

Net bank borrowings in the middle of July were £1.3bn, up from £1.22bn at end-1990. If the rescheduling and restructuring of debt takes place in the new year a further £80m would be added to bank debt, which is interest accrued but unpaid during the year.

Good sales growth helps Seeboard

By Juliet Sychrava

SEEBOARD, the electricity supplier for the south [illegible] of England, yesterday reported pre-tax profits of £6m for the half year [illegible] September 30, compared with [illegible] pro-forma loss [illegible] £7.6m the previous year.

Earnings per share were 3.5p, compared with losses of 4.2p last time.

The interim dividend is 5p, compared with a notional 4.4p. This increase of 13.6 per cent is above the 12-13 [illegible] cent range expected for most regional companies and confirmed City expectations.

Seeboard [illegible] floated on a lower yield than most regional electricity companies, to dampen local share demand.

Operating profit rose to £6.8m from a [illegible] of £2.3m. About £6m of the improvement was due to volume increases in sales, and about £3m to improved margins, the company said. Turnover was up 12 per cent.

● COMMENT

The strongest point in Seeboard's results was, as expected, good sales growth. The City received the announcement that Sir Keith Stuart, formerly a non-executive director of Seeboard, and chairman of Associated British Ports, would take over as chairman next September with Mr Jim Ellis, Seeboard's commercial director, as chief executive, with little interest. The company has not made striking statements about cost cuts, or communicated a sense of its grip on future supply costs. But while not making obvious cuts, Seeboard has, like many other regional companies this season, kept a weather eye on the regulator, telling analysts that it believed its high dividend cover, but relatively low rate of return on assets, could offer it protection from a regulatory clampdown on companies that give more away to shareholders than customers. Forecasts reflected the fact that many analysts believe the company's underlying business more than offsets its often weak presentation. They were in a wide range from £96m to £104m, putting the company on prospective p/e's of between 5.5 and 7.

A game of bluff and counter-bluff

Hugo Dixon on the complications of fixing the BT share sale price

THE PRICING of [illegible] in the £6bn BT sale [illegible] turned into a complicated game of bluff and counter-bluff between the government's advisers and institutional investors.

Retail investors must [illegible] their applications in by 10 o'clock this morning. But [illegible] price [illegible] which the [illegible] will [illegible] sold – the strike price – will only be decided at the [illegible] once the final bids by institutions [illegible] made.

The shares are [illegible] be paid for in three instalments. The first and second instalments [illegible] been set at 125p and 120p in the institutional offer. Retail investors will pay 15p less on each instalment.

They will also [illegible] a 15p discount compared with [illegible] price paid by institutions on the third instalment if they hold shares until March 1993. But the price institutions will pay in the third instalment – and so the total strike price – has yet to be determined.

The accepted wisdom has been that the strike price will [illegible] around [illegible] price at [illegible] existing BT shares are already trading, currently 349p.

This is based on [illegible] fact that the government revealed [illegible] week that most institutional bids were around the market price.

The conclusion drawn was that [illegible] new partly paid shares would [illegible] a large premium when trading begins on Monday. This is because the [illegible] of [illegible] payment of new [illegible] over three instalments has been calculated at about 20p.

By [illegible] evening, this [illegible] gap is almost certain [illegible] be closed somehow – if only by arbitrageurs selling the fully paid shares, buying the cheaper partly paid ones and [illegible] turning [illegible] profit.

The [illegible] the partly paid shares will [illegible] to a premium is reflected in the price of [illegible] quoted in the "grey market" by IG Index, the financial bookmakers. This implies an 11p premium for institutional investors and [illegible] premium for retail [illegible].

A big premium, however, may [illegible] given [illegible] government [illegible] said [illegible]terday [illegible] they want [illegible] accusations [illegible] they [illegible] sold public [illegible] cheap.

They are [illegible] aiming for a small premium, by setting [illegible] higher strike price.

SG Warburg, the government's lead financial adviser, [illegible] said to [illegible] asking institutions to bid for shares at a 10p-12p premium to the market price and to be suggesting that the strike price would [illegible] 5p above the market price.

One theory, favoured by government advisers, [illegible] that institutions have so [illegible] bid deliberately low in the hope of forcing the government [illegible] sell the shares cheaply. But, with the deadline nearing, they will have to increase their [illegible] or face the [illegible] of not receiving any [illegible] in the [illegible]

However, there [illegible] alternative [illegible] in which the 20p arbitrage [illegible] could [illegible] – by the price of fully paid shares falling on Monday. The immediate objection [illegible] this is that, if [illegible] price were [illegible] fall on Monday, why has it not fallen already?

The answer [illegible] that the price being quoted in [illegible] market [illegible] not be a [illegible] reflection [illegible] market sentiment because [illegible] the way that the government has deterred institutions from "dumping" shares in advance of [illegible] sale. Institutions have been threatened that they [illegible] not be allocated [illegible] in the offer if they are caught doing this.

According [illegible] this theory, institutions which [illegible] unable [illegible] shares in the market [illegible] been registering what they think the shares are really worth by bidding low in the offer. Effectively, the tail has been wagging [illegible] dog.

The [illegible] for this theory is that the volume of trading in BT shares in [illegible] has [illegible] rather lower than usual. [illegible] customer trading volume was 14.2m [illegible] – 0.74 [illegible] cent [illegible] the market total – compared with [illegible] weekly trading volumes during 1991 of 19.2m shares, or [illegible] per [illegible] of [illegible] total.

[illegible] advisers, however, [illegible] they [illegible] artificially [illegible] price, merely counteracted a tendency for institutions [illegible] depress it artificially.

The proof of which theory is correct will only be known on Monday.

Expanding Allied Colloids rises to £21m

By Paul Abrahams

Allied Colloids, the Bradford-based specialty chemicals group, yesterday reported pre-tax profits up from £19.4m to £21.1m for the half year to September 28.

Mr Gordon Senior, finance director said: "In the circumstances the results aren't bad – which means in Yorkshire that they're quite good. We are satisfied but not complacent."

Lack of dependence upon the UK market had allowed the company to sustain volume growth, he said. Turnover, up 10 per cent, from £113.2m to £124.6m, had increased in all regions except the UK. Only 15 per cent of the group's turnover is in Britain.

The company simultaneously announced it had bought Hydrolabs, a specialty group dedicated mostly to the US textile industry, for $18m (£10.1m), representing its largest ever acquisition.

Earnings per share rose from 4.63p to 5.17p. The interim dividend goes up to 0.88p (0.8p).

Board shake-up and job losses at Mortgage Corp

By David Barchard

THE MORTGAGE Corporation, one of the largest centralised mortgage lenders set up in the 1980s, is to make 50 of its 400 staff redundant and close its offices in Edinburgh and Birmingham.

At the same time, four managing directors, covering most of the group's operations, have been replaced. Mr Ray Pierce, chief executive, resigned six weeks ago but his departure is understood to have been voluntary.

The managing directors who have lost their jobs are Mr Martin Augier, head of operations, Mr Allan Gallant, head of mortgage information systems, Mr John Boyle, finance director, and Mr Chris Herbert, sales and marketing director.

The cutback is the latest in a series of retrenchment operations by mortgage companies which [illegible] been hit harder than other [illegible] lender by the depression in the UK housing market.

Mr LeRoy Rothe, a mortgage banker from Salomon, TMC's parent company in New York, was this week brought in as the company's new chief [illegible]

Yesterday TMC signalled that despite the cutback [illegible] was not withdrawing from the market and still hoped to stage [illegible] comeback when [illegible] housing market recovers.

It has a 1 per cent share of the UK mortgage market and a mortgage book of [illegible]. It also [illegible] over £1.2bn of mortgages from other institutions.

"We [illegible] UK mortgage [illegible] continue [illegible] be depressed during most of [illegible] and we have [illegible] organisation to focus [illegible] providing business to our existing customers," said Mr David Jarvis, chairman.

He said that the decision to make the cutbacks had not been easy but was necessary to maintain the viability. TMC hopes to remain a strong UK mortgage lender in the longer term. The sales force is to be slimmed down and will operate only out of its national head office.

Eldridge Pope takes a 'solid step' to recovery

By Philip Rawstorne

ELDRIDGE POPE, the USM-quoted brewer, [illegible] "a solid step" [illegible] recovery [illegible] year's [illegible] more than [illegible] hotel [illegible] puting [illegible]

The Dorset-based group yesterday reported pre-tax profits [illegible] £1.1m [illegible] September 30 compared with a loss [illegible] time of [illegible]

A significantly better performance from [illegible] pub retailing [illegible] brewing [illegible] was laying [illegible] firm [illegible] for full-scale recovery [illegible] period, [illegible] Mr Christopher Pope, chairman.

There was a final extraordinary charge of £250,000 on the Highcliff hotel in Bournemouth, now half-owned and managed by Vaux, which was partially [illegible] by [illegible] write-back on [illegible] the Realstream computing business.

The accounts also included an exceptional £475,000 as the group's share of the hotel's [illegible] loss, [illegible] interest, [illegible] year. The hotel had made [illegible] operating profit [illegible] £500,000, Mr Pope reported.

The Highcliff [illegible] ganisation provision [illegible] £250,000 [illegible] by exceptional profits [illegible] £440,000 [illegible] property [illegible] the [illegible] the group's shares in Taunton Cider.

Operating profits, driven by [illegible] pub division, rose strongly from £539,000 [illegible] £3.11m [illegible] charges fell from [illegible] £2.01m as borrowings were [illegible] by [illegible] year [illegible]

Overall [illegible] volumes [illegible] down slightly but [illegible] conditioned [illegible] 50 per cent higher. [illegible] volume [illegible] were also up in [illegible] declining national market.

Earnings per share dropped from [illegible]. A final dividend of 1.76p [illegible] proposed, making [illegible] 2.64p against [illegible] year's 4.1p.

Bad debts and interest charges trim Greene King

By Philip Rawstorne

BAD DEBTS and increased interest charges contributed to [illegible] marginal decline, from £11m [illegible] £10.9m, in pre-tax profits at [illegible] King in [illegible] months to November [illegible]

[illegible] payable by [illegible] Suffolk-based brewer [illegible] from £1.84m to [illegible] as a [illegible] of the [illegible] of Big [illegible] Leisure and [illegible] acquisition [illegible] pubs.

Debt [illegible] £50m, about [illegible] funds.

[illegible] continued [illegible] some [illegible] in [illegible] present difficult trading conditions and depressed property market, [illegible] Mr Simon Redman, chairman.

[illegible] £460,000 provision had been made in [illegible] accounts, and the final [illegible] could be similar to last year's £1m write-off.

The [illegible] also included [illegible] loss on the [illegible] in Butterfly Hotels but Mr Redman said [illegible] asset [illegible] for [illegible] King's £10m loan [illegible] "comfortable."

Brewing and pub retailing [illegible] the [illegible] with some success. Trading profit [illegible] 11 per cent [illegible] (£11.3m) on turnover ahead 5 per [illegible] £65.6m [illegible]. Profit margins [illegible] by one [illegible] point to 19.1 per [illegible] in spite of an increasingly competitive market.

[illegible] and IPA, [illegible] group's premium [illegible] ales, continued their [illegible] growth in the guest beer market.

Terms had [illegible] agreed on [illegible] acquisition [illegible] further 14 pubs in Kent, strengthening [illegible] company's position in that trading area, [illegible] added.

The interim dividend goes [illegible] payable from [illegible] of [illegible] per share.

Analysts scaled down [illegible] full year forecasts [illegible] £22.5m.

COMMODITIES [illegible] AGRICULTURE

LME acts to ease the squeeze on copper

Kenneth Gooding analyses the reasons behind yesterday's dramatic intervention

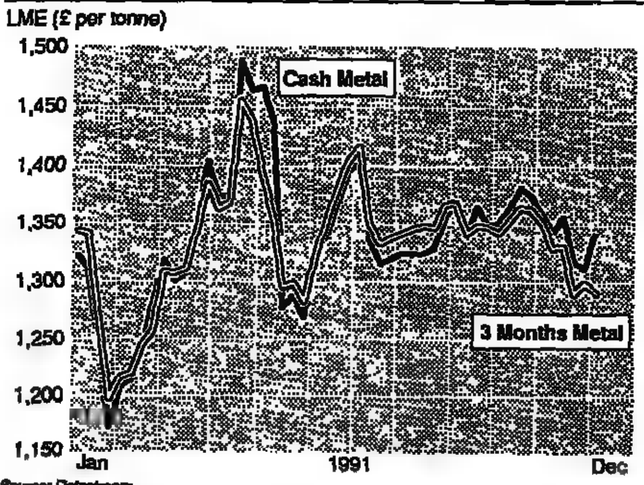
THE LONDON Metal Exchange *yesterday* took formal action [illegible] the turmoil which was *threatening to get* [illegible] *hand* in its "flagship" copper market.

The market has been [illegible] the grip [illegible] technical [illegible] which traders [illegible] been [illegible] by the Sumitomo Corporation of Japan taking control of much of [illegible] LME's copper stocks (see below).

Mr David King, the exchange's *chief* executive, walked on to the [illegible] floor just [illegible] noon [illegible] announce that *a limit* [illegible] £25 [illegible] tonne a day [illegible] imposed on the backwardation – the premium paid for [illegible] for immediate delivery compared with [illegible] delivery in [illegible].

Copper

LME (£ per tonne)



Source: Datastream

This should alleviate [illegible] worst impact of [illegible] squeeze which some consumers complain [illegible] held [illegible] prices at *artificially high levels for* months.

However, it [illegible] widely [illegible] ted the [illegible] will end today, [illegible] Sumitomo [illegible] likely to *change* [illegible] the price will subside.

[illegible] week, [illegible] an unprecedented public rebuke, urging the LME [illegible] "investigate [illegible] urgency [illegible] apparent distortions in the market and [illegible] *all* [illegible] steps [illegible] orderly [illegible] prevails."

Acting through the International Wrought Copper Council, an organisation which represents all sections of the *industry, the* [illegible] pointed out [illegible] the present [illegible] of [illegible] exchange's [illegible] market "appears [illegible] have [illegible] connection with the background of [illegible] *fundamental* situation in [illegible] metal, where demand [illegible] relatively [illegible] and supplies apparently plentiful."

[illegible] LME's copper con[illegible] point for [illegible] world over, [illegible] suggested [illegible] situation [illegible] *causing damage* [illegible] copper fabricating industry, [illegible] parts [illegible] which [illegible] already having [illegible] with the [illegible] *recession."*

Resentment and frustration had been building up [illegible] consumers, particularly [illegible] LME's [illegible] has *remained in backwardation* when [illegible] seem [illegible] logical that, [illegible] no [illegible]tage of metal, the market [illegible] – [illegible] future prices [illegible] premium [illegible] spot price [illegible] reflect [illegible] financing, freight and insurance [illegible] physical delivery.

The [illegible] *made* public last Thursday [illegible] influence [illegible] LME board members, who had [illegible] called [illegible] an [illegible] *discuss the* [illegible] market.

Ring traders [illegible] very much aware of the meeting, taking place in the boardroom behind a glass screen above the trading floor. The impact of the letter and the meeting was immediate. In [illegible] LME ring-trading session, the backwardation, which had widened to £130 a tonne, narrowed to £50. By the close that day it *was down to only* £16.

However, it has been widening [illegible] this [illegible] until the LME executive intervened. Yesterday *morning this* [illegible] the backwardation to [illegible] tonne a day.

The LME also said that those with short positions in copper *contracts falling due today and* succeeding prompt dates (the [illegible] by which contracts must [illegible] would [illegible] a tonne penalty per market day *if they were unable to make* physical delivery and/or were unable to borrow cash metal at or less than £25 a tonne.

"Those with long positions *originally* seeking to take physical delivery shall be similarly compensated," Mr King ruled.

What has caused all this turmoil? Traders say that Sumitomo, possibly with five other Japanese trading houses, has taken control of a big part of the LME's copper stock – estimates range from 30 per cent to 60 per cent.

[illegible] has been using [illegible] position [illegible] influence [illegible] force the "shorts" (those who [illegible] sold metal they [illegible] own in the expectation of being able to buy it *later at a lower* price) to cover their positions. They do this by "borrowing" metal, which in LME terms means they buy spot metal *while arranging to sell it again* at a future date.

The widening backwardation has been caused by dealers wanting to hold on to copper until the LME December options are declared today. The "open position" for today shows that, in theory, [illegible] tonnes of physical copper might have to be delivered – compared with [illegible] tonnes held in LME [illegible] houses.

The IWCC letter made holders of metal nervous because, as [illegible] demonstrated yesterday, the LME has the power to limit the size of the [illegible] tion or can take other action to ensure that the market does not become "disorderly".

Holders therefore released some copper, lending it to the *market (that is, they sold spot* metal with an undertaking [illegible] buy [illegible] back [illegible] a [illegible] and the [illegible] narrowed.

Mr Philip Crowson, [illegible] *economic* [illegible] RTZ Corporation, [illegible] world's biggest mining [illegible] the present [illegible] of the LME copper market:

"*Whatever* [illegible] motivation, it [illegible] dominant merchant or [illegible] merchants owns or controls [illegible] all of the LME's [illegible] metal.

"In *effect, a form of unofficial buffer stockpile appears to* be in operation without trans[illegible] LME's *rules and regulations.*

"As surplus metal flows [illegible] warehouses, it [illegible] being absorbed by [illegible] buffer [illegible]. Unless the operators have made [illegible] miscalculation and are playing [illegible] expensive [illegible] of 'double [illegible] quits', [illegible] *operations* [illegible] *presumably* profitable.

"*As long as any surplus* between supply and demand does not increase suddenly or *uncontrollably, the managers* [illegible] this stockpile can *presumably continue to operate.*"

[illegible] LME executive [illegible] been watching its copper market *closely for some time,* and would have preferred not [illegible] have intervened as overtly [illegible] it did yesterday. [illegible] had hoped [illegible] rely instead on gentle, behind-the-scenes persuasion.

The turmoil [illegible] about whether the exchange needs to change its rules or introduce new ones to give [illegible] a better deal.

The LME is [illegible] do so, because it [illegible] many rules and regulations *prevent* [illegible] market working properly.

Mr Simon Payton, the secretary-general [illegible] the IWCC, suggests that the LME might *solve some* [illegible] *the problems* by opening more [illegible] ware-

LME WAREHOUSE STOCKS (As at Monday's close)		tonnes
Aluminium	+[illegible]	to [illegible]
Copper	[illegible]	to [illegible]
Lead	−450	to [illegible]
Nickel	+1206	to [illegible]
Zinc	[illegible]	to 160,075
Tin	−175	[illegible] 12,920

houses outside Europe – so far, only Singapore is on the list.

Expanding [illegible] system would [illegible] time, because the Japanese have so far not welcomed the idea of adding copper to the present *aluminium warehouses, while* in the US the LME has excluded copper from its ware[illegible] not wish [illegible] relationship with Comex (the New York Commodity Exchange).

Meanwhile, [illegible] suggest that, [illegible] today's options [illegible] the [illegible], the copper price might [illegible] "[illegible]" to fall [illegible] it must be costing the Japanese *substantial sums to finance* all the stock they control.

However, a period of extreme price volatility might be in prospect as the market finds *its new level.*

Sumitomo: 'We have to keep customers happy and make money'

YASUO Hamanaka, the senior Sumitomo Corporation manager described by some London Metal Exchange traders as the single most powerful man in the copper market, said yesterday: "It is not our intention to squeeze or manipulate the market but we have to keep our customers happy and at the same time make money."

He acknowledged that Sumitomo had control of a big part of the LME's copper [illegible]. Traders suggest this resulted in a substantial backwardation in the copper price, or premium for metal for immediate delivery compared with metal [illegible] delivery in [illegible] months.

But he insisted in [illegible] telephone interview from his home in Tokyo that Sumitomo's net position was "short" – in other words, at the bottom line it had sold forward more copper than it would own in the expectation that the price would fall and the metal could then be bought more cheaply.

Sumitomo is one [illegible] the [illegible] of physical copper, as [illegible] from the "paper" variety on futures [illegible].

It handles 450,000 to 500,000 tonnes a year for clients, mainly in [illegible] and the Far East.

[illegible] many other Japanese *corporations, Sumitomo is forbidden to speculate in commodities markets.*

However, it does hedge its copper market [illegible] by trading futures and options: a future is [illegible] contract to buy or sell a set quantity of a commodity at a specified date in the futur[illegible]ile an option gives its [illegible] the right, but not the obligation, [illegible] do so.

By trading [illegible] of futures, options and physical copper for immediate deli[illegible], *Sumitomo exerts enormous* influence on the market.

Mr Hamanaka explained that [illegible] was not trading copper merely in order to make profits.

Ultimately, it earned its money by supplying copper [illegible] *customers. Sumitomo must* guarantee a smooth supply of the metal [illegible] its [illegible] with [illegible] type of "just in time" system designed to minimise stocks and risks, regardless of price or supply disruptions.

Sumitomo had been buying copper because it had received a very large order from its biggest Japanese customer as well as orders from an important Thai customer and from China. "We cannot neglect them," Mr Hamanaka pointed [illegible].

Last week, after copper consumers complained publicly [illegible] the LME about the state of [illegible] market, Mr David King, chief [illegible] of the exchange, had persuaded Sumitomo [illegible] release metal to help alleviate *the squeeze,* Mr [illegible] revealed.

However, he questioned whether all copper consumers were equally concerned and suggested that Japanese smelters welcomed the premium for spot metal, "because they have a lot of selling to do in December."

Discussing the LME's action [illegible] to limit the backwardation on copper to £25 [illegible] tonne, Mr Hamanaka said it would be better if [illegible] was no limit. But he *could understand* the exchange's position and, in the [illegible] its action was "[illegible]".

He said: "We need a stable and sound LME. We [illegible] want it to be like Comex (the New York Commodity Exchange)."

Kenneth Gooding

Norsk Hydro to contest US dumping charge

By Robert Gibbens in Montreal

NORSK HYDRO, one [illegible] world's two largest producers of magnesium metal, says [illegible] will [illegible] *shipping* to US [illegible] while it [illegible] US Commerce Department preliminary charge [illegible] "dumping".

Norsk has already halved output at its new C$500m [illegible] plant near Montreal, [illegible] annually, because [illegible] weak North American markets.

The US [illegible] risk-sharing [illegible] contracts [illegible] Hydro-Quebec and certain federal-provincial grants for the plant amounted to subsidisation and [illegible] *to* [illegible] sium in [illegible] US [illegible] true pro[illegible].

The Commerce Department's preliminary finding [illegible] based on [illegible] *complaint* by Magnesium Corp [illegible] America, which supplied about 20 per cent of the US market.

Norsk [illegible] Hydro-Quebec [illegible] *the power* contracts [illegible] designed [illegible] help major industries compete [illegible] prices are low.

The power [illegible] repaid by companies [illegible] prices return [illegible] normal levels.

However, [illegible] must pay [illegible] provisional counter*vailing* duty [illegible] *magnesium* mov[illegible] south while [illegible] case goes [illegible] full investigation, and possibly [illegible] Trade [illegible] on whether [illegible] producers [illegible] been injured.

Magnesium is used mainly in [illegible] *appliance* parts, and also in aluminium alloys.

New investment deal for Australian coal

By Kevin Brown in Sydney

AUSTRALIA'S coal industry is to receive [illegible] injection [illegible] (£110.4m) in new investment as part [illegible] a deal struck [illegible] the [illegible] government [illegible] group [illegible] coal producers [illegible] by BHP, the country's largest company.

The deal provides for the abolition of coal export duties, together with reform of the Joint Coal Board, a statutory authority which has *extensive* powers over coal fields in New South Wales.

In return, the coal companies will invest A$248.5m over five years in a group of six open-cut coal mines in central Queensland, all of which are operated by BHP.

Mr Simon Crean, primary industries minister, said the [illegible] followed three months [illegible] "intensive" negotiations [illegible] the future of the "inequitable and potentially distortionary" coal duty.

"A healthy coal industry is [illegible] keystone [illegible] industrial competitiveness, export income and [prospects for] expanding job opportunities.

"*The measures* [illegible] announcing . . . are [illegible] at keeping it that way", Mr Crean said.

Mr Bob Flew, general man*ager of BHP's Australian coal* division, said the abolition of the coal duty was "an important step in add[illegible]essing microeconomic reform in the mining industry."

However, other miners said the government had failed to take the opportunity to reform freight charges [illegible] railways, which [illegible] industry [illegible] are higher than in other coal exporting countries.

The coal export duty [illegible] imposed by Mr Gough Whitlam's *Labor government in* 1975, as a tax on "windfall" profits following a big increase *in prices for coal exported to* Japan.

The duty originally applied *to all coal exports,* but has gradually been reduced in size and scope and is now levied *only on exports from the six* Queensland mines managed by BHP.

Abolition of the duty will save the owners of the mines about A$48m a year, roughly equivalent in cash flow terms to the cost of the proposed new investment.

The main elements of the investment plan include spending *A$122.5m on expansion,* creating at least 120 jobs; A$65m on research and development; and A$50m on accelerated mine rehabilitation.

The coal companies have also agreed to spend A$8m on a feasibility study of mine development opportunities, which could lead to further investment of A$200m.

Reform of the NSW Joint Coal Board will remove its *powers over* the opening and closing of mines, which were imposed during a period of strict regulation after the second world war.

The board, which is jointly sponsored by the federal government and the NSW *state* government, will be reorganised to focus on occupational health and *safety issues,* including monitoring of dust levels.

The federal government also said it would give increased prominence [illegible] attempts *to* increase trade in coal through the negotiations in the Uruguay *Round of talks on reform* of the General Agreement on Tariffs and Trade.

Ministry orders seven Japanese exchanges to merge

JAPAN HAS [illegible] seven of the country's 12 farm-related commodity exchanges to merge into two large regional exchanges, one near Tokyo and the other near Osaka, the agri*culture ministry said, Reuter* reports from Tokyo.

"The instruction was aimed at making the exchanges more competitive internationally, in line with revisions in Japan's commodity exchange law in 1990", a ministry official said.

Under the proposal for the Tokyo area, Maebashi Dried Cocoon Exchange will be included in a merger between the Tokyo Sugar and Grain Exchanges, who [illegible] basic agreement to merge last week.

The Osaka Sugar Exchange, the Osaka Grain Exchange, the *Kobe Grain Exchange* and Kobe Raw Silk Exchange were instructed to merge near Osaka, the official said.

The ministry also urged the *Yokohama Raw Silk Exchange,* near Tokyo, and the Toyohashi Dried Cocoon Exchange, near Nagoya, to *decide* on partners for a merger by the end of next February.

The Yokohama Raw Silk Exchange has been refusing to merge, *saying it wants* to remain independent.

MINOR METALS PRICES

Prices from Metal [illegible] (last [illegible] in [illegible]).

ANTIMONY: European free [illegible] 99.6 [illegible] cent, $ per [illegible] in [illegible] 1,640-1,680 (same).

BISMUTH: European [illegible] market, min. [illegible] per cent, $ per lb, tonne lots in warehouse, [illegible].

CADMIUM: European free market, min. 99.5 per cent, [illegible] lb, in warehouse, [illegible] (1.70-2.20).

COBALT: European free [illegible] per [illegible], $ per lb, in warehouse, 25.50-27.50 (25.00-[illegible]).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 95-115 (85-105).

MOLYBDENUM: European [illegible] market, [illegible] molybdic oxide, $ per lb Mo, in warehouse, 2.14-2.17 (same).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.80-5.40.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 59-67 (same).

VANADIUM: European free market, min. 98 per cent, $ a lb V_2O_5, cif, 2.30-2.45 (same).

URANIUM: Nuexco exchange (value, $ per lb, U_3O_8, [illegible] (same).

WORLD COMMODITIES [illegible]

MARKET REPORT

[illegible] sharply [illegible] London bullion [illegible] yesterday [illegible] long liquidation sparked by Monday's [illegible] rally and [illegible] perceived *turnround in equity* [illegible]. But [illegible] remains positive so long [illegible] support holds [illegible] troy [illegible]. The [illegible] economy *still* [illegible] *political* situation in [illegible] deteriorating, they [illegible]. "I think we'll [illegible] gold [illegible] up to [illegible] *$365-$366 area by the end of the* week," [illegible] dealer [illegible]. Platinum and [illegible] prices [illegible] dipped. [illegible] LME [illegible] rise [illegible] almost [illegible] tonnes in warehouse [illegible] *aluminium pushed* [illegible] market [illegible] fresh lows. [illegible] sharp [illegible] in nickel [illegible] highest level since [illegible] depressed prices. Zinc closed just ahead after *morning news that Belgium's* ACEC-Union [illegible] is to shut [illegible] Overpelt zinc smelter, taking [illegible] production [illegible]. Analysts [illegible] cut, *although* substantial, would [illegible] put [illegible] market [illegible] unless demand improves. It would need [illegible] fundamentals [illegible] to drag prices [illegible] down again. [illegible] Chicago [illegible] opened near limit up following the offer [illegible] export [illegible] Union.

Compiled from Reuters

London Markets

SPOT MARKETS		+ or -
Crude oil (per barrel FOB)		
Dubai	[illegible]	[illegible]
[illegible]	[illegible]	-.475
Brent [illegible] (Jan)	[illegible]	-0.50
W.T.I. (1 [illegible] est)	[illegible]	[illegible]
Oil products (NWE prompt delivery per tonne CIF)		+ or -
[illegible]	[illegible]	-1
[illegible] Oil	[illegible]	$-7\frac{1}{2}$
Heavy [illegible]	$76-77	-4
Naphtha	[illegible]	-6
[illegible] Argus [illegible]		
Other		+ or -
[illegible] (per troy [illegible])	[illegible]	-4.20
Silver (per troy oz)♣	404.50	-5.00
[illegible]	$363.50	-6.00
[illegible] (per [illegible])	$83.15	-1.10
Copper (US Producer)	109.0c	
[illegible]	37.0c	
Tin (Kuala Lumpur [illegible])	[illegible]	+0.05
Tin (New York)	$262.5	
Zinc (US Prime [illegible])	[illegible]	
Cattle (live weight)†	[illegible]	+1.07*
Sheep (dead weight)†	[illegible]	+18.1*
[illegible] weight)†	82.45p	-2.49*
London daily sugar (raw)	$229.5x	+2.5
London daily sugar (white)	$279.2x	+0.7
Tate and Lyle export price	[illegible]	+2.0
Barley (English [illegible])	[illegible]	
Maize (US No. 3 yellow)	[illegible]	[illegible]
Wheat (US Dark Northern)	[illegible]	
Rubber (Jan)♥	51.00p	
Rubber (Feb)♥	51.25p	
Rubber (KL RSS No 1 Jan)	220m	
Coconut [illegible] (Philippines)§	$395z	
Palm Oil (Malaysian)§	$352.5	
[illegible] (Philippines)§	$380.0	-2.5
Soyabeans (US)	£150.5	+1.5
Cotton "A" Index	61.70c	
Wooltops (64s [illegible])	415p	[illegible]

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jan t-Sep/Dec u-Jan/Mar x-[illegible] y-Jan/Feb z-Dec/Jan. [illegible] Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF [illegible]. ♣ Bullion [illegible] laysian cents/kg.

SUGAR – London FOX			($ per tonne)	
Raw	[illegible]	[illegible]	High/Low	
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	200.00	[illegible]	199.00	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	197.40	193.00	
White	[illegible]	[illegible]	High/Low	
Mar	279.7	[illegible]	282.0	279.0
May	280.7	279.8	282.5	279.0
Aug	284.7		284.2	284.1
Oct	265.0		266.0	264.0

Turnover: Raw 716 (183) lots of 50 tonnes. White 1915 (744)

Paris- White (FFr per tonne): Mar 1574.00, May 1593.13

CRUDE OIL – IPE			$/barrel	
	Close	Previous	High/Low	
Jan	19.22	19.73	19.89	19.20
Feb	19.22	19.70	19.80	19.21
Mar	19.13	19.60	19.65	19.12
Apr	18.95	19.34	19.50	18.94
May	18.90	19.25	19.40	18.90
Jun	18.83	19.15	18.99	18.83
IPE Index	20.00	20.27		

Turnover 22000 (20012)

GAS OIL – IPE			$/tonne	
	Close	Previous	High/Low	
Dec	188.25	191.75	190.00	185.00
Jan	188.00	193.75	192.00	187.50
Feb	186.25	191.75	189.75	186.00
Mar	182.00	186.75	185.25	182.00
Apr	178.50	181.50	180.00	178.50
May	174.25	176.25	175.00	173.25
Jun	174.00	175.50	175.25	174.00
Jul	175.75	176.50	176.00	175.50
Aug	177.00	178.50	177.75	176.50

Turnover 22047 (14531) lots of 100 tonnes

JUTE

December/January: C[illegible] f Dundee; BTC $390, BWC N/O, BTD [illegible], BWD $405; c and f Antwerp; BTC $380, [illegible] $380, BTD $360, BWD $360.

COTTON

Liverpool-Spot and shipment sales for the week ended November 29 amounted to 76 tonnes against 420 tonnes in the previous week. *Sales* were low with mainly West African growths.

COCOA – London FOX			£/tonne	
	[illegible]	Previous	High/Low	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	782	789	784	[illegible]
May	785	793	787	[illegible]
Jul	809	807	811	[illegible]
[illegible]	833	829	834	[illegible]
[illegible]	862	856	[illegible]	[illegible]
Mar	889	883	[illegible]	[illegible]
May	905		[illegible]	
Jul	920	918	918	[illegible]
[illegible]	936	933	936	930

[illegible] 10 [illegible]

ICCO [illegible] prices [illegible] per tonne). [illegible] *price for Dec.2* 943.62 (949.02) [illegible] Dec.3 951.75 (953.39)

COFFEE – London FOX				
	[illegible]	[illegible]	[illegible]	
Jan	1090	[illegible]	[illegible]	1072
Mar	1035	[illegible]	[illegible]	1013
[illegible]	1010	998	1008	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1030	1010	1015	

Turnover:1399 (825) lots of 5 tonnes

[illegible] Indicator prices (US cents per [illegible]) Dec.2 : Comp da[illegible] 66.45 (65.27) [illegible] day average 65.02 (64.79)

Sterling close: January £823 , March £ 898

POTATOES – London FOX			£/tonne
	[illegible]	[illegible]	High/Low
[illegible]	117.0		117.0
Apr	119.0	119.8	[illegible]
May	140.0	140.5	

Turnover 220 (466) lots of 20 tonnes.

SOYAMEAL – London FOX			[illegible]
	[illegible]	[illegible]	High/Low
Dec	128.00		128.00

Turnover 371 (59) lots [illegible] 20 [illegible]

FREIGHT – London FOX			$10/index point	
	[illegible]	[illegible]	[illegible]	
Dec	[illegible]	1603	[illegible]	16.20
Jan	16.60	1645	[illegible]	16.50
Apr	[illegible]	1652	[illegible]	[illegible]
BFI	[illegible]	[illegible]		

Turnover 418 (71)

GRAINS – London FOX			£/tonne
[illegible]	[illegible]	[illegible]	High/Low
Jan	124.90	[illegible]	[illegible]
[illegible]	128.40	[illegible]	[illegible]
[illegible]	131.40	[illegible]	[illegible]
Jun	[illegible]	132.90	132.50
Barley	[illegible]	[illegible]	High/Low
Jan	119.35	119.55	119.30
Mar	122.75	122.80	122.65 122.50
May	[illegible]	[illegible]	

Turnover: Wheat 242 (87), Barley [illegible] (17).

Turnover lots of 100 Tonnes.

PIGS – [illegible]			
	[illegible]	[illegible]	High/Low
Jan	[illegible]	103.0	102.0
Feb	105.0	105.0	
Mar	105.0	105.5	
Apr	[illegible]	[illegible]	
May	106.0	106.5	
Jun	[illegible]	108.0	

*Turnover:*9 (16) lots of 3,250 kg

[illegible] – London FOX					
	Close	[illegible]	High	[illegible]	[illegible]
Indx	133.71	[illegible]	[illegible]		

LONDON METAL EXCHANGE				[illegible] supplied by Amalgamated Metal Trading)		
	Close	Previous	High/Low	[illegible] Official	Kerb [illegible]	[illegible] Interest
[illegible]						Total [illegible] turnover [illegible]
Cash	1085.5-6.5	1099-100		1079-9.5		
3 months	1112-3	1126-7	1126/1108.5	1106.5-6.0	[illegible]	[illegible]
[illegible], Grade A (£ per tonne)						Total [illegible] turnover [illegible]
Cash	[illegible]	1340-5	[illegible]	[illegible]		
3 months	[illegible]	1291-3	[illegible]	[illegible]	1281-2	107,292 lots
Lead [illegible] per tonne)						Total daily [illegible]
Cash	295-6	289-90	297/296[illegible]	[illegible]		
3 months	[illegible]	[illegible]	305/301	[illegible]	[illegible]	15,083 [illegible]
Nickel ($ per tonne)						Total daily turnover [illegible] lots
Cash	7085-95	7125-35	[illegible]	[illegible]		
3 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] lots
[illegible] ($ per tonne)						Total [illegible] turnover [illegible]
Cash	[illegible]	5450-5	[illegible]	[illegible]		
[illegible]	[illegible]	5500-5	[illegible]	5520-5	5515-25	[illegible] lots
Zinc, [illegible] High Gra[illegible] ($ per ton[illegible])						Total daily [illegible]
Cash	1225.5-7.5	1219-21		1233-4		
[illegible]	1209-10	[illegible]	1227/1200	[illegible]	1210-1	38,725lots
LME [illegible] rate:	[illegible]		[illegible]			[illegible]

LONDON BULLION MARKET		
(Prices supplied by [illegible] Rothschild)		
Gold (fine oz) $ price		£ [illegible]
Close	363.50-364.00	
Opening	366.50-365.90	
Morning [illegible]	[illegible]	206.465
[illegible]	360.90	204.635
Day's [illegible]	[illegible]	
Day's [illegible]	362.30/362.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	[illegible]	[illegible]	[illegible]
2 [illegible]	4.51	[illegible]	[illegible]
3 months	4.39		

Silver fix	p/fine [illegible]	US [illegible] equiv
Spot	229.40	406.50
3 [illegible]	[illegible]	411.35
6 [illegible]	[illegible]	418.20
[illegible]	[illegible]	426.45

GOLD COINS		
[illegible] supplied by Engelhard [illegible]		
	$ [illegible]	£ equivalent
Krugerrand	363.00-364.00	2[illegible].75-205.25
Maple leaf	[illegible]	210.50-211.00
New Sovereign	[illegible]	50.00-50.50

TRADED OPTIONS				
Coffee	Jan	Mar	[illegible]	[illegible]
550	74	[illegible]	1	11
[illegible]	32	30	9	[illegible]
[illegible]	9	14	35	[illegible]
Cocoa	Mar	[illegible]	Mar	May
700	76	[illegible]	14	[illegible]
725	59	83	22	28
750	44	68	32	33
Brent Crude	[illegible]	[illegible]	[illegible]	[illegible]
2000	[illegible]	47	44	11
2050	8	23	70	103
2100	3	21	116	140

New York

GOLD 100 troy oz.; $/troy oz.				
	[illegible]	[illegible]	High/Low	
[illegible]	363.5	367.0	[illegible]	[illegible]
[illegible]	364.9	[illegible]	0	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
Apr	368.8	372.4	370.5	[illegible]
Jun	371.2	3374.9	371.8	[illegible]
Aug	373.7	[illegible]	373.8	373.8
Oct	376.2	380.0	376.2	376.2
Dec	378.8	382.7	[illegible]	379.0

PLATINUM 50 troy [illegible] $/troy oz.				
	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	[illegible]	365.5	[illegible]
Apr	[illegible]	368.2	368.5	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] 5,000 troy oz; cents/troy oz.				
	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	[illegible]	403.0	398.5
Jan	[illegible]	406.5	0	0
[illegible]	[illegible]	[illegible]	0	0
[illegible]	[illegible]	[illegible]	408.5	406.0
May	410.0	[illegible]	412.0	[illegible]
Jul	413.5	418.2	[illegible]	[illegible]
Sep	417.3	[illegible]	[illegible]	418.5
Dec	423.0	[illegible]	425.5	[illegible]
Jan	[illegible]	430.1	0	[illegible]
Mar	[illegible]	434.1	0	[illegible]

HIGH GRADE COPPER 25,000 lbs; cents/lbs				
	Close	[illegible]	High/Low	
[illegible]	[illegible]	101.70	101.75	[illegible]
Jan	101.30	[illegible]	[illegible]	[illegible]
Feb	100.80	[illegible]	[illegible]	[illegible]
[illegible]	100.30	[illegible]	100.60	99.10
Apr	[illegible]	[illegible]	[illegible]	99.20
May	[illegible]	[illegible]	[illegible]	98.80
Jun	[illegible]	[illegible]	[illegible]	98.70
Jul	[illegible]	[illegible]	99.10	98.30
Aug	98.60	0		0
Sep	98.50	[illegible]	98.20	[illegible]

CRUDE OIL (Light) 42,000 US galls $/barrel				
	Close	[illegible]	High/Low	
Jan	20.51	21.08	21.28	[illegible]
[illegible]	20.44	[illegible]	21.14	[illegible]
Mar	20.30	20.80	[illegible]	20.25
Apr	20.21	20.68	[illegible]	20.15
May	20.13	20.59	[illegible]	20.10
Jun	20.08	20.51	20.61	20.05
Jul	20.00	20.44	20.52	[illegible]
Aug	19.95	[illegible]	[illegible]	[illegible]
Sep	19.91	[illegible]	20.19	[illegible]
[illegible]	[illegible]	20.30	20.35	[illegible]

[illegible] OIL [illegible] US galls, cents/US galls				
	Close	Previous	High/Low	
Jan	5947	6151	6160	5920
Feb	5962	6143	6150	5940
Mar	5804	5953	5970	5800
Apr	[illegible]	5721	5750	5550
[illegible]	[illegible]	[illegible]	5570	5400
Jun	5300	[illegible]	5460	5300
Jul	5270	[illegible]	5440	5325
Aug	5340	[illegible]	5490	5420
[illegible]	5465	[illegible]	[illegible]	[illegible]
Oct	5580	[illegible]	5710	[illegible]

[illegible] 10 [illegible]				
	[illegible]	[illegible]	High/Low	
Dec	[illegible]	1176	[illegible]	[illegible]
Mar	[illegible]	[illegible]	1258	1230
[illegible]	[illegible]	[illegible]	1292	1266
Jul	1325	[illegible]	[illegible]	[illegible]
Sep	1348	[illegible]	[illegible]	[illegible]
Dec	1388	1357	[illegible]	0
Mar	1419	1386	[illegible]	0
[illegible]	[illegible]	1410	0	0
Jul	1464	1433	0	0
Sep	1489	[illegible]	1486	1486

COFFEE "C" 37,500lbs; cents/lbs				
	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	76.00	[illegible]	80.25
[illegible]	85.20	85.40	86.10	84.85
May	87.70	[illegible]	[illegible]	[illegible]
Jul	90.50	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	92.75
Dec	[illegible]	98.00	96.50	[illegible]
Mar	98.75	99.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs				
	[illegible]	[illegible]	High/Low	
Mar	[illegible]	[illegible]	9.27	[illegible]
May	[illegible]	[illegible]	9.10	[illegible]
Jul	8.95	8.83	9.08	8.88
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	8.89	[illegible]	[illegible]	0

COTTON 50,000; [illegible]				
	Close	Previous	High/Low	
[illegible]	[illegible]	[illegible]	58.40	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	60.80	60.09	61[illegible]	60.20
Jul	61.65	60.80	61[illegible]	61.00
Oct	63.48	62.78	63.80	63.25
Dec	63.90	63.32	64.25	63.45
Mar	[illegible]	64.25	0	
May	[illegible]	64.90	0	[illegible]

ORANGE JUICE 15,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Jan	165.10	164.40	166.20	164.95
Mar	165.60	165.45	167.00	165.60
May	165.75	165.55	167.00	165.75
Jul	165.30	165.10	0	0
Sep	164.00	163.80	0	0
Nov	153.10	152.80	0	0
Jan	151.95	151.65	151.50	151.50
Mar	151.95	151.65	0	0
May	151.95	151.65	0	0

INDICES				
REUTERS (Base: September 18 1931 = 100)				
	Dec.3	Dec.2	mnth ago	yr ago
	1641.5	1636.6	1637.2	1712.6
DOW JONES (Base: Dec. 31 1974 = 100)				
	Dec.2	Nov.29	mnth ago	yr ago
Spot	115.86	115.61	113.09	123.06
Futures	122.45	122.20	122.03	123.93

Chicago

[illegible] 5,000 [illegible] min; [illegible] bushel				
	Close	Previous	High/Low	
Jan	565/4	564/4	569/0	[illegible]
Mar	[illegible]	570/4	573/4	560/0
May	[illegible]	576/6	578/0	[illegible]
Jul	574/4	581/6	585/0	[illegible]
Aug	576/4	583/0	[illegible]	576/4
[illegible]	[illegible]	584/0	580/0	576/0
Nov	[illegible]	585/8	587/4	578/0
Jan	[illegible]	595/0	0	0

SOYABEAN OIL 60,000 lbs; [illegible]				
	Close	Previous	High/Low	
[illegible]	[illegible]	[illegible]	19.48	19.23
Jan	19.37	19.25	19.58	19.30
Mar	19.67	19.59	19.90	19.61
May	19.93	19.90	20.20	19.90
Jul	20.18	20.17	20.47	20.18
[illegible]	20.32	20.32	20.60	20.32
[illegible]	20.30	[illegible]	0	0
Oct	20.30	20.30	0	0

SOYABEAN MEAL [illegible] tons; [illegible]				
	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	177.2	178.0	175.5
Jan	171.7	175.3	176.0	171.6
Mar	170.3	173.6	173.3	170.0
May	[illegible]	[illegible]	173.0	170.0
Jul	171.7	[illegible]	173.8	171.6
[illegible]	172.5	[illegible]	174.5	172.5
Sep	172.5	[illegible]	174.5	172.5
Oct	164.7	167.1	168.1	164.5

MAIZE 5,000 bu min; cents/56lb bushel				
	Close	Previous	High/Low	
Dec	238/6	242/2	243/4	238/4
Mar	249/0	250/0	252/2	247/4
May	254/6	256/0	258/0	253/6
Jul	260/2	260/4	263/0	258/6
Sep	257/2	257/4	259/4	256/4
Dec	255/0	255/2	257/0	254/4
Mar	261/4	262/0	264/0	261/4

WHEAT 5,000 bu min; cents/60lb-bushel				
	Close	Previous	High/Low	
Dec	386/2	371/0	390/0	384/4
Mar	381/0	368/2	387/0	379/0
May	360/4	351/6	369/0	359/0
Jul	330/4	324/6	340/0	329/4
Sep	338/0	330/4	338/0	336/0
Dec	348/0	342/0	349/0	347/4

LIVE CATTLE 40,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Dec	73.12	73.35	73.70	73.07
Feb	73.82	74.17	74.45	73.80
Apr	73.82	74.40	74.30	73.75
Jun	70.32	70.75	70.85	70.22
Aug	68.67	69.00	69.20	68.60
Oct	69.20	69.40	69.30	69.05
Dec	70.25	70.50	70.25	70.20

LIVE HOGS 40,000 lb; cents/lbs				
	Close	Previous	High/Low	
Dec	41.90	42.32	42.58	41.85
Feb	41.50	42.32	42.42	41.45
Apr	39.87	40.32	40.40	39.82
Jun	45.27	45.70	45.65	45.10
Jul	45.40	45.70	45.60	45.35
Aug	44.22	44.42	44.30	44.10
Oct	40.90	40.85	41.05	40.80
Dec	41.80	41.80	42.15	41.80

PORK BELLIES 40,000 lbs; cents/lb				
	Close	Previous	High/Low	
Feb	38.05	38.50	38.70	37.95
Mar	38.02	38.35	38.55	37.90
May	39.22	39.65	39.70	38.95
Jul	39.50	40.10	40.10	39.30
Aug	38.82	39.12	39.27	38.77

هكذا من الأصل

FINANCIAL TIMES SURVEY

DISTRIBUTION SERVICES

Wednesday December 4 1991

Why 1992 will not be rushed

In many industries, efficient logistics can serve as the means of achieving that management maxim of the moment: to think globally and act locally. But there are both dangers and drawbacks from concentrating production at a limited number of sites. John Thornhill reports

IT is only a little more than [redacted] year before the dawn of 1993 but it will be many years before the concept of the single European market will [redacted] reality. Nowhere is this clearer than in the field of distribution services.

Although the concept of a pan-European market for such services has long been avidly discussed in boardrooms and at conferences across the continent, it has not yet materialised. Some doubt it ever will – at least in the form originally envisaged.

The experience of companies in the air express sector such as Federal Express, UPS, TNT and DHL – which have invested heavily in creating pan-European networks but which are losing money at the rate of $500m a year – has acted as a warning of the dangers of moving too fast and too far ahead of the customer base.

1992 cannot be rushed; there are still considerable regulatory and physical obstacles in place in Europe which will hinder the full implementation of the single market programme. There is a growing [redacted] tion [redacted] although logistics can [redacted] the development [redacted] European single market they [redacted] crucially influenced by it.

On the one hand, the process of deregulation throughout Europe has encouraged the growth of competition and has changed the cost equa[redacted] of distributing goods.

For example, haulage operators [redacted] fewer [redacted] and tariffs will be able to extend the distance over which they can economically carry goods, allowing manufacturers [redacted] penetrate new [redacted].

It [redacted] been estimated that the speed of international truck movements in Europe is less than 15kph and costs anything between 1 and 3 per cent more than in the US.

The removal of restrictions will allow [redacted] larger number of small operators to take advantage of the lower overhead costs that will result from the simpler [redacted] environment. The example of the US, after the removal of inter-state restrictions, suggests there is likely to be a greater role for smaller operators performing simple haulage functions. The economics of running an independent owner-operator haulage business in non-recessionary times are hard to match.

[redacted] hand, however, competition among [redacted] bigger logistics companies [redacted] likely to intensify although they [redacted] the economic changes that [redacted] creation [redacted] market [redacted] producing in other [redacted].

Companies all [redacted] Europe [redacted] increasingly concentrating their pro[redacted] greater efficiency and are contracting out [redacted] housing and distribution responsibilities [redacted] third-party [redacted] tractors.

Mr [redacted] Cooper, co-author [redacted] on European logistics*, says: "The concept of 1992 has acted as a spur [redacted] rationalisation of both production and storage, leading to a concentration [redacted] facilities and greater transport needs."

Distribution companies have been able [redacted] wait [redacted] to [redacted] their European operations before piggy-backing [redacted] of them. Frans Maas, the Dutch [redacted] for example, has grown [redacted] European scale largely on the [redacted] Philips and Rank Xerox, which [redacted] been busy rationalising [redacted] manufacturing and warehousing facilities [redacted] a pan-European basis.

Philips has been slimming down the number [redacted] warehouses [redacted] Europe [redacted] 75 it used to run. Xerox has been focusing [redacted] part services [redacted] Europe from [redacted] single [redacted] warehouse [redacted] Venray in [redacted] Netherlands.

The [redacted] European industry [redacted] particularly notable in [redacted] electronics, automotive [redacted] chemicals sectors. [redacted] in [redacted] computer industry, [redacted] panies such as DEC and Apple have [redacted] been establishing [redacted] on [redacted] European basis [redacted] in [redacted] the food and consumer products industries, Procter [redacted] Gamble, Jacobs Suchard, Kelloggs [redacted] Unilever have been accelerating down that route.

In all these industries, efficient logistics [redacted] serve [redacted] means [redacted] achieving [redacted] maxim [redacted] the moment – to think globally and act locally.

But [redacted] are dangers and [redacted] backs from concentrating production at [redacted] limited number of sites. The [redacted] concentrated [redacted] facilities, [redacted] greater the risks and the more vital [redacted] effective running [redacted] those plants [redacted]. Reliability and quality of [redacted] become just [redacted] important [redacted] price for winning Just-In-Time deliv[redacted] for [redacted] or Quick Response supply [redacted] management systems [redacted] retailers.

For companies operating in these areas, "intelligent" logistics func[redacted] such as collating and analysing electronic information will [redacted] more important than the "dumb logistics" functions [redacted] shifting [redacted] from point A [redacted] B.

Japanese manufacturing [redacted] entering [redacted] European market are [redacted] likely [redacted] play [redacted] significant role. Many have [redacted] developing greenfield [redacted] which [redacted] make the [redacted] rational [redacted] of logistics networks, giving them a tremendous competitive advantage against indigenous producers. Japa[redacted] distribution companies such as NYK, Nichirei, and [redacted] are also setting [redacted] in Europe with the clear intention [redacted] satisfying their compatriots' logistics needs.

"In five years time, [redacted] think the [redacted] will [redacted] large [redacted] the European industry," says Mr Martin White [redacted] Coopers [redacted] Lybrand [redacted] consultants.

The Japanese [redacted] faster [redacted] most that effective logistics management can [redacted] a means [redacted] achieving competitive advantage. The quicker [redacted] use [redacted] stock [redacted] significantly reduce [redacted] and release the productive potential [redacted] manufacturing facilities.

It has been estimated that the amount of capital [redacted] up [redacted] inventory [redacted] the UK annually [redacted] more [redacted] £80bn, representing about [redacted] value of manufacturing output. [redacted] Japan, [redacted] corresponding figure [redacted] cent.

Ironically, in many respects [redacted] way in [redacted] field of logistics – [redacted] in [redacted] retailing [redacted] of return [redacted] sales, UK transport companies accounted for seven of [redacted] top [redacted] European [redacted] according [redacted] vey in Motor Transport magazine. In terms of supply chain management, they have developed [redacted] of the most effective systems in [redacted] world in conjunction with Britain's formidable [redacted] retailing groups.

[redacted] although the deregulation [redacted] European telephone and distribution [redacted] has been good for [redacted] logistics industry as a whole [redacted] is a threat [redacted] increasing regulation in other fields will impinge upon its growth.

"Green" logistics will [redacted] an increasingly important theme for Europe's distribution companies. Future environmental legislation [redacted] well conflict with developments in [redacted] industry.

"The nightmare scenario [redacted] companies will be for [redacted] have developed single plant production [redacted] centralised inventory, only [redacted] face [redacted] restrictions [redacted] ment of goods between factory and warehouse and from warehouse [redacted] customer," [redacted] Mr Cooper.

The growing importance of green logistics may provide a great opportunity for rail [redacted] re-establish [redacted] attractive method of distribution. The loosening [redacted] state-run railway [redacted] postal networks may also allow them [redacted] develop greater links [redacted] private [redacted] organisations.

Red Star, the distribution [redacted] Rail, has already forged trading links with [redacted] of [redacted] European counterparts and has recently [redacted] an agreement with [redacted] Airways for international parcel deliveries.

[redacted] creation of the GD [redacted] network among [redacted] European postal services with TNT, [redacted] Australian [redacted] has also [redacted] of [redacted] shape [redacted] industry to come.

**European Logistics*, [redacted] Cooper, Michael Brown, Melvyn Peters, [redacted] Publishers*

Companies in the air [redacted] such as Federal Express, UPS, TNT and DHL have invested heavily in creating pan-European [redacted]

IN THIS SURVEY

DISTRIBUTION SERVICES 2

John Thornhill looks at eastern Europe

Great possibilities

THE [illegible] of [illegible] modern distribution systems are perhaps only fully appreciated in their absence.

This is manifestly the case in large areas of central and eastern Europe where over several decades the rudimentary means of distributing goods have become clogged by inefficiency, wastefulness and corruption.

In the new era of renascent capitalism, the various countries in the region are trying to create alternative networks for moving goods from the point of manufacture to the end consumer. It is likely to be a long and painful process.

The situation is perhaps at its most acute in the Soviet Union where for more than 70 years the whole economy has been production-driven rather than market-led. Goods and services have been pushed up the supply chain from the factories and farms to the consumer rather than being pulled there by way of retailers and wholesalers.

This emphasis has in part been responsible for the distorted structure of the Soviet economy. For example, the Soviets produce twice as much steel as the west but use only 3 per cent of the amount of corrugated boxes; they run an advanced space programme but their road infrastructure is barely bigger than that of France.

Even the Soviet State Scientific and Research Institute of Automobile Transport candidly admits that the country's distribution network is "30 to 50 years behind that of the west".

Many of the country's specific distribution problems have been highlighted by a team of UK experts that visited the Soviet Union in September under the aegis of the government's know-how fund programme.

They discovered a country that was "logistically crippled". The primitive state of transport, storage and distribution had given rise to wastage of "horrific proportions" with almost 40 per cent of all produce being squandered.

Mr George Hazle, of Exel Logistics, the UK distribution group, who was part of the team, said their principal discovery was that there had been a fall in agricultural production but that effective aid would still be dependent on improving the distribution network.

Some of the proposed remedies were relatively modest. Better feeds and livestock strains would help improve agricultural production. Basic parts for tractors and trucks would reduce the dreadful waste of resources which resulted in 40 per cent of equipment lying idle for need of repair.

In terms of distribution, the team identified a need for heavier vehicles, [illegible] vehicle security and more efficient loading systems. More sophisticated techniques

DHL runs a fleet of Ladas for its Moscow express service

such as the containerisation of goods and the computerisation of warehousing [illegible] have to wait until the basic infrastructure was improved.

But the most urgent need is arguably for greater training. The British know-how fund, in conjunction with Exel Logistics, looks set to sponsor a training programme for 2,000 Russian transport managers in the UK.

Another encouraging sign has been the recent formation of a Swedish [illegible] – consisting of the Axel Johnson trading group, the Tetra Pal Alfa-Laval food processing and packaging company, and Sweden's farmers federation, the LRF – which is aiming to invest SKr1bn over the next three to five years [illegible] developing model food production, [illegible] and [illegible] projects.

But as well as the sheer physical problems of dealing with distribution in the Soviet Union, there is also a host of political complications. There is now no unitary body responsible for transport – each of the union's former 15 republics has taken [illegible] responsibility for their own region and overall co-ordination is plagued by political [illegible].

Some western companies which have set up operations in the Soviet Union have had to create an entire distribution network to ensure that their needs are reliably met. MacDonalds, the US fast food chain which has opened an outlet in Moscow, has established an integrated supply chain from farm to restaurant to satisfy the security of its supplies.

Many other western branded goods companies are following a similar route in the countries of central Europe. In Hungary, for example, companies such as Procter & Gamble, Unilever and Heinz are all establishing their own distribution networks to sell their products to the highly fragmented retail industry which has about 50,000 retail outlets.

Countries such as Hungary, Czechoslovakia and Poland have already moved a lot further down the road of economic liberalisation than the Soviet Union but even they are struggling to create viable alternative distribution systems.

New private distribution networks are emerging to replace the crumbling state-owned organisations but they are not yet sufficiently strong to bear the full weight of the market. And some of their facilities are still primitive – one consultant recently returned from Budapest recalls his horror at seeing chicken sheds being used as warehouses.

In Hungary, [illegible] 10 state distribution networks, known as fuszerts, are in the process of being privatised or sold off. The first of them, Duna Fuszert, has been sold to the Belgian retail group Louis Delhaize, which has begun to set up its own discount supermarket chain in the country under the Profi name.

But perhaps a more easily accessible area of the distribution market is for courier and express services. DHL, the international courier group, and TNT, the Australian company, have been rapidly establishing their operations in eastern Europe although it seems more a question of sticking flags in maps at the moment [illegible] conducting a vast amount of business.

There are clearly great possibilities for western companies to help develop the distribution infrastructure in eastern Europe. For those with sufficient vision, patience [illegible] determination, an enormous and unprecedented business opportunity awaits.

Michael Terry on the prospect of a single European market

Chicken and egg argument

[illegible] a satisfactory physical distribution system, it is difficult to imagine how the single European [illegible] can work.

Yet in contrast to their previously high hopes, managers of Europe's leading distribution contractors fear that they may not be in a position to set up pan-European logistics networks in time for the start of the market in 56 weeks' time.

Mainly they blame European legislators for being too slow in setting up the necessary legal framework. [illegible] they also claim that their future customers, the [illegible] manufacturers, are being slower than expected at putting in place their rationalised pan-European sourcing arrangements.

At the same time, in what has clearly become a "chicken and egg" argument, certain manufacturers are openly criticising the distributors for being ill prepared for [illegible] new opportunities.

"The slowness with which European legislation has so far been handled means [illegible] unlikely that we will have the necessary framework for setting up the common standards of service, common procedures, common tariff structures and [illegible] communications systems that are essential to a truly pan-European distribution network," [illegible] Mr John Mr Brotherton, in charge of logistics and [illegible] at the LEP Group.

LEP is one [illegible] world's largest transport groups, with freight forwarding, warehousing and road distribution operations in nearly 40 countries, including partnerships with Daimler Benz and Volkswagen for JIT parts distribution in Germany.

Mr Brotherton refers to Germany where the road transport market is still highly regulated and, in his view, likely to remain so for some years to come. He compares it with the fully deregulated regime in the UK and the partly deregulated one in France.

He points out that Europe is still a long way from agreeing harmonised arrangements for fuel and vehicle taxes. He criticises the new Alpine transit arrangements which he says allow unnecessarily strict restrictions on lorry movements between Germany and Italy.

"There are all sorts of complexities which we were promised would be removed by January 1, 1993, but which are not going to happen," he claimed.

"Meanwhile there are those of us who accepted the promises at face value and have spent lots of money trying to build up pan-European capabilities."

Mr Theo Weitenberg, managing director of Nedlloyd Districenters International, a subsidiary of the Royal Nedlloyd Group, felt that few manufacturers were yet organised for the single market.

"A lot of companies are still [illegible] distribution decisions [illegible] a local, country, level rather than [illegible] European one. Furthermore I don't think there will ever be a distribution company who can have the whole of Europe [illegible] working area, especially those smaller countries who are on the edge of Europe. A major constraint [illegible] setting up organisations and motivating people who [illegible] loyalties," he said.

Nedlloyd Districenters International specialises in common user warehousing and has 29 sites in Europe. It provides storage, order picking and delivery services for companies such as multinational computer manufacturers [illegible], IBM [illegible] department store Kaufhalle.

Next January, it opens a [illegible] warehouse for IBM at Amsterdam to carry out European deliveries of computers, including localised customising of the product.

Exel Logistics, the distribution arm of Britain's employee-owned NFC group, has a five-[illegible] plan [illegible] become a leading European logistics [illegible]. The plan is to [illegible] dedicated warehousing solutions to manufacturers and [illegible], both [illegible] and non-food, through acquiring [illegible] management, expertise and customers of local companies.

It [illegible] Europe by managing a centralised distribution service for Marks [illegible] Spencer's store in Paris. It uses local hauliers to carry out the deliveries.

Now it has acquired [illegible] in Spain, Germany, France and Holland at [illegible] total cost of £25m. In the past year it [illegible] put forward some 20 proposals to would-be clients.

Mr Mark Bedeman, in charge of European development [illegible], agreed [illegible] regulatory framework for the distribution industry would not be in place by the end of next year. "[illegible] don't see January 1 1993 as a deadline so much as a station along the route," he said.

Mr Bill Shiplee, managing director of United Transport Logistics Europe, has spent the [illegible] in what amounts to a commercial [illegible] of faith.

From company headquarters in Paris he and his sales team have been trying to spread the gospel of pan-European logistics to sceptical, multinational industrial conglomerates.

"We're still talking with [illegible] same people [illegible] a year [illegible] had begun to look at material flows. Very little has happened since then. Our customers admit that it's taking longer [illegible] they expected to get pan-European systems in place and decide on the relationship between corporate direction and local interest," he says.

Mr Shiplee admits to not being paid for the time [illegible] to develop and present proposals to the likes of BP Chemicals, Neste, Dow Chemicals and Fischer Price.

"Most of these people are existing customers in other areas and we are trying to extend our services to [illegible] them with solutions," he said.

"They are asking how they should be structuring their European operations; how they should be distributing to their European customers; how they should be servicing various [illegible] and whether they should be holding stock."

[illegible] Burnside, international technical manager for Reckitt & Colman, claimed that the distribution industry was not yet geared up for pan-European services.

His complaints resulted from [illegible] for [illegible] distributor to support [illegible] Colman's restructured manufacturing system.

"Few if any hauliers had the organisation to allow them to treat our contract as a total concept. They were organised along national lines with each national business responsible for its profit. [illegible] Reckitt & Colman it was the total profitability, not the [illegible] was important," he said.

The author is editor of European Freight Management, a [illegible] Times newsletter.

Eagle Star

In the FT survey on courier and express services, which appeared on July 24 1991, reference was wrongly made to Eagle Star Express. The reference should have been to Eagle Express, which has no connection with the Eagle Star group.

هكذا من الأصل

DISTRIBUTION SERVICES 3

Concorde courier – for a day

AS [illegible] descended from 56,000ft [illegible] golden rows [illegible] Manhattan's twinkling [illegible] from the dark[illegible], Concorde flight BA003 [illegible] minutes ahead of schedule for landing at [illegible] York's Kennedy Airport, writes Michael Terry.

It was [illegible] news for the American banks, credit companies and commercial organisa[illegible] paperwork for thousands [illegible] of European [illegible] transactions [illegible] put in my personal [illegible] the past [illegible] hours.

Because of the [illegible] phenomenon of arriving in New York some 1½ hours – [illegible] time – [illegible] the take-off from London, the British Airways Speedbird courier service would comfortably meet its daily commitment to same-day [illegible] to New York [illegible] before they [illegible].

And because extremely high interest [illegible] and [illegible] flows valued [illegible] millions of dollars [illegible] involved, the airport-to-airport service has become critical for transatlantic commerce.

[illegible] clearance at JFK, clearly explained in [illegible] instruction note, was straightforward. A representative from [illegible] New York Air Courier Company (NYACC), licensed by the US Customs Service [illegible] handle customs [illegible] on behalf of courier services, [illegible] the [illegible] ranged rendezvous just beyond passport control. On completion of clearance, he alerts the local courier companies that the goods are ready for collection.

The NYACC agent took the pouch of customs documents for the 24 sacks of shipments that had been stowed in the aircraft hold in my name and in a separate building checked the consignments were all present and correct.

Fifteen minutes later, he handed back the customs clearance document [illegible] me [illegible] present [illegible] the [illegible] inspector. If [illegible] inspector had wanted [illegible] the load, [illegible] would have had to [illegible] my presence.

[illegible] being "accompanied", commercial consignments in the care of a courier – about [illegible] per cent are documents – are [illegible] by customs as if they [illegible] personal baggage. It is far quicker than normal air freight formalities.

■ WAREHOUSING

Technological revolution

IN recent years, businesses have become increasingly aware of the cost factor [illegible] in distributing their goods. Recent surveys [illegible] that between [illegible] cent and 30 [illegible] cent of a company's [illegible] can [illegible] associated with logistics, be it warehousing, transport or some [illegible] element in the [illegible] supply chain.

Because of this, [illegible] companies are currently reviewing [illegible] logistic [illegible] with [illegible] view [illegible] making them more effi[illegible] and [illegible]. [illegible] important part [illegible] this [illegible] is [illegible].

The image [illegible] traditional warehouse, where [illegible] mass [illegible] components are [illegible] in [illegible] disorganised manner and retrieving them [illegible] protracted process, is long gone. The warehouse [illegible] hit by [illegible] technology revolution which has completely changed [illegible] efficiency [illegible] operating pat[illegible].

In reviewing their logistics systems, companies find that one [illegible] vital [illegible] highlighted [illegible] the supply chain [illegible] house operations. This generally [illegible] investment in information technology so [illegible] goods are [illegible] shelf [illegible] one [illegible] the chain [illegible] request for [illegible] automatically passed [illegible] on [illegible] the manufacturing plant [illegible] a [illegible] supply of products, especially [illegible] "Just-in-time" (Jit) system [illegible] being [illegible].

[illegible] Jit system [illegible] not [illegible]sarily imply speed but just [illegible] regular flow [illegible] parts [illegible] manufacturing line on a pre-determined basis. To achieve this an [illegible] communications package linking all parts of the [illegible] crucial. The [illegible] hub of such [illegible] sys[illegible]. A [illegible] is [illegible] costly [illegible] time consuming.

However, [illegible] the [illegible] of technological [illegible] in [illegible] area [illegible] the facility can rapidly become [illegible] date. A [illegible] among [illegible] operating managers [illegible] per [illegible] considered [illegible] be [illegible] of [illegible] within [illegible] years [illegible] opening and 50 per cent [illegible] years [illegible] operating.

[illegible] revolution in warehouse operation started in the mid-1960s [illegible] the first automated [illegible] and retrieval machine was installed. This operated from rails fixed [illegible] top [illegible] the [illegible] rack and was equipped with twin hanging [illegible] which [illegible] pair [illegible] forks [illegible] handle the pallet unit [illegible]. Since that time more [illegible] 1,000 automated [illegible] houses have come on [illegible] throughout Europe.

In an automated warehouse, the [illegible] of products into [illegible] storage [illegible] their positioning and subsequent retrieval is performed by mechanical devices which are controlled by [illegible] processors. Warehouse automation [illegible] less sophisticated and aims to com[illegible] manual input [illegible] mation such as through [illegible] use of fork lift trucks to move goods rather than them being pushed or pulled by hand.

Apart from the actual building and interior racking which are common to both types of facility, the automated ware[illegible] can include an impressive, and costly, range of equipment including automated guided vehicles, picking [illegible] sels, sorting devices, [illegible] and stacking cranes.

The strategy [illegible] any ware[illegible] based on effi[illegible] operation. The investment [illegible] be [illegible] but [illegible] should reduce manpower [illegible] a minimum and help [illegible] optimising storage capacity and pro[illegible] high throughput.

Such [illegible] operating [illegible] facility such as a retail outlet's [illegible] distribution facility where the objective is to minimise the time between the product arriving at the distribution centre and leaving the shelf in the customer's [illegible] bag.

[illegible] do [illegible] the burden [illegible] heavy inventory costs although a distribution centre servicing a number of stores in one region owned by a chain retailer will inevitably have to accommodate a [illegible] fast-moving [illegible] well [illegible] slower moving ones. Overall, the objective [illegible] to retain [illegible] in [illegible] time possible.

In the UK, several [illegible] the leading retail chains, such as J. Sainsbury, Tesco and Waitrose, have contracted out their distribution requirements to specialist operators who, as part of the deal, will take over existing warehouses or provide a dedicated facility designed to meet the requirements of the particular customer.

Such facilities can serve as many as 15 or 20 stores with a total or particular range of goods. Within these dedicated contracts, the operator will collect goods from manufacturers, transport them to the central distribution [illegible], [illegible] until required [illegible] then despatch to [illegible] when needed.

By comparison, such systems in Europe are rare and it is anticipated that under the [illegible] market [illegible] will be a move [illegible] centralising distribution facilities.

In developing [illegible] reviewing their logistic requirements, companies need [illegible] carefully [illegible] level [illegible] automation within [illegible] warehouse as it must [illegible] the [illegible] involved to throughput and storage capacity but also leave a margin to allow a flexible response [illegible] changes in market conditions and consumer buying patterns. It must also fit in with the rest [illegible] the supply chain capacity unless the ware[illegible] is [illegible] utilised for [illegible] purposes.

David Robinson

■ COURIER AND EXPRESS

Frantic developments

LEADING operators in Europe's struggling air [illegible] industry, said [illegible] be losing $500m [illegible], are frantically developing [illegible] courier services into global logistics and distribution systems.

By adding further value [illegible] their express delivery operations, they are seeking to escape the costly trap of low charges which intense competition during the previous [illegible] had forced upon them.

Managements from compa[illegible] such as TNT, Federal Express, UPS and DHL are discussing with leading multinational enterprises [illegible] in which they can tailor their [illegible] develop and enhance global supply lines between factories [illegible] with customers.

They are investing millions [illegible] pounds in warehouses, electronic data processing systems, aircraft and trucks in [illegible] for a business explosion they are predicting will be [illegible] dramatic [illegible] the early days [illegible] courier [illegible] industry [illegible].

They have wholly-owned subsidiaries, joint [illegible] or agency [illegible]ments in all the leading [illegible] European [illegible].

"Eighty per cent of multinationals in Europe [illegible] looking to radically change their European logistics systems," said Mr Tony Heating, European logistics [illegible] for UPS, [illegible] which [illegible] up [illegible] logistic [illegible] each [illegible] global regions.

"All of us [illegible] this [illegible] the major market opportunity. It [illegible] the [illegible] we [illegible] all after. [illegible] has identified 300 companies in Europe with potential annual earnings for it [illegible] more than $1m each. It is currently negotiating with [illegible] them."

Mr Heating would not name the companies, but it [illegible] thought likely they include IBM, Honeywell and Motorola; companies with which UPS already has courier [illegible].

The express operators are only [illegible] investments [illegible] taking place against [illegible] recessionary background where the 30 per [illegible] growth [illegible] of [illegible] have given [illegible] a price [illegible].

"[illegible] the [illegible] companies in this market are losing serious money. The [illegible] four integrators have [illegible] in Europe [illegible] the [illegible] to four years," claimed Mr Paul Moorhouse, [illegible] officer [illegible] TNT Express Worldwide, whose parent company announced [illegible] first-quarter [illegible] for [illegible] ($119,000), [illegible] an improvement on the previous quarter's loss of A$69m.

"The industry needs to charge about 10 per [illegible] more than it [illegible] at present in order [illegible]. [illegible] need to make profits in order to provide the best possible service."

> **This summer's merger was aimed at offering an integrated international express delivery service**

This summer's merger of TNT's former Skypak, Mailfast and Express Europe divisions under the umbrella of TNT Express Worldwide [illegible] aimed [illegible] offering [illegible] integrated international [illegible] delivery service.

Already it dominates a [illegible] market for [illegible] deliv[illegible] by air of automotive components for car assembly lines. It [illegible] annually [illegible] fly some 6,000 tonnes of products, including gearboxes, transmissions, axles, door panels [illegible] rubber, across Europe for Ford, General Motors and Volvo.

Mr Moorhouse said TNT had contracts for supply chain management [illegible] more than [illegible] multinationals engaged in [illegible] manufacture [illegible] pharmaceu[illegible] medical [illegible] high-[illegible] equipment, including [illegible] between Asia and Europe.

This [illegible], UPS, [illegible] delivery [illegible] Europe [illegible] the holder of an 8 per [illegible] European market, has now opened [illegible] European distribution warehouse on the outskirts [illegible] Amsterdam for Poqet Computers, part of Fujitsu. The dedicated unit is manned by UPS which operates a computerised inventory control [illegible] that electronically receives orders and product shipment data from Poqet's headquarters in Santa Clara, California.

Completed units [illegible] flown into Schiphol airport by UPS which [illegible] European distribution [illegible] customers, half by air and [illegible] by road.

According to Mr Chris Hing, marketing director of DHL UK, one strength of the express operators – integrators as they are [illegible] known – is [illegible] they own aircraft, [illegible] and [illegible] rather than contracting out. It gives flexibility and [illegible] reliability, he said.

By persuading clothes manufacturer Coats Viyella's branded [illegible] division to [illegible] to air express, DHL [illegible] been [illegible] to reduce transit times by [illegible] per [illegible] for shirt fabric samples imported from [illegible] Asia.

[illegible] gives [illegible] Coats Viyella salesforce [illegible] retailers ahead [illegible] production and enables the factory [illegible] accurately deploy the work[illegible] pre-schedule machin[illegible].

To [illegible] reliability, [illegible] Business Logistics prefers [illegible] make use of the 400 aircraft and [illegible] road vehicles which Federal Express, its parent company, [illegible] worldwide.

Business Logistics' latest addition to its growing European parts bank operation is [illegible] common [illegible] warehouse facility at Amsterdam. The [illegible] allows manufacturers [illegible] parts locally for speedy call-up either for [illegible]bly-line use [illegible] delivery to [illegible]. Clients include medical equipment supplier Varion and mainframe supplier Cray Computers.

> **UPU, the United Nations world grouping of postal authorities, is defending its corner**

In Britain [illegible] begun [illegible] operate a [illegible] warehouse and distribution system for Sanyo's brown consumer goods products.

Meanwhile [illegible] the express industry concentrates its efforts [illegible] developing [illegible] logistics capabilities, controversy continues to surround its ini[illegible] *raison d'être*: [illegible] delivery [illegible] documents [illegible] parcels.

At [illegible] time when [illegible] industry has been taking a defensively firm line in its submissions to the European Commission's much delayed green [illegible] on postal monopolies, it [illegible] caught [illegible] by TNT's sudden announcement last July of the intention to form an international courier-express joint venture with five postal authorities.

The post offices joining the [illegible] holding company [illegible] those [illegible] Germany, France, the Netherlands, Sweden and Canada. The Commission is now vetting the plan for [illegible] implications [illegible] the free market. Competitors, [illegible] claim the move [illegible] aimed at helping TNT fill empty aircraft, doubt whether the scheme will meet its planned [illegible] of next January.

UPU, the United Nations world grouping of postal authorities, is defending its corner energetically [illegible] the grounds that the proposed new enterprise will cream [illegible] profitable traffic [illegible] leave [illegible] postal administrations with only loss-making business.

However, the word [illegible] that several other administrations [illegible] considering the idea although they [illegible] to be fearful of reprisals by other UPU members.

But TNT's choice of bed [illegible] especially interesting. One [illegible] them, the [illegible] Office, has in the past taken legal action against TNT. France and the Netherlands [illegible] currently at [illegible] receiving [illegible] litigation to which TNT [illegible] to [illegible] party.

Michael Terry

DISTRIBUTION SERVICES 4

Phillip Hastings takes a look at developments in the air cargo industry

A tough year for traditional operators

TRADE recession in the main markets, additional security requirements and growing competition from express companies have all made [illegible] tough year for traditional air cargo service operators such as airlines and forwarders.

On the trade front, for example, airline [illegible] traffic in the important transatlantic market noticeably failed to pick up [illegible] expected [illegible] its usual summer season decline. [illegible] the previously buoyant Japan-Europe airfreight market has recently seen airline [illegible] volumes down by [illegible] per cent.

Airfreight forwarders have been equally hard hit. "Recession has [illegible] market even [illegible] intensively competitive," says Mr Roger Curry, president and chief executive officer of US-based forwarder Emery Worldwide. "There [illegible] no balance between the value of the service [illegible] provide [illegible] the price people are paying for that service."

Meanwhile, [illegible] air cargo industry as [illegible] has been under strong pressure [illegible] tighten up security. [illegible] UK Department of Transport, for example, has issued several circulars on the subject. As [illegible] result, airlines have had to [illegible] heavily in new security equipment and systems, while forwarders have had to reorganise their cargo-handling procedures.

Adding [illegible] problems [illegible] both airlines and forwarders is [illegible] increasing competition for traditional air cargo business from [illegible] companies such [illegible] TNT, Federal Express, DHL [illegible] Parcel Service. In [illegible] panies now use [illegible] own aircraft. UPS, for example, has just introduced [illegible] five-times-a-[illegible] freighter operation [illegible] Stansted, England and Newark in [illegible] US.

However, [illegible] with the increased competition and other problems, leading airlines are still continuing to increase their air [illegible] British Airways, for example, last month announced that cargo revenues for the half-year April-September 1991 rose by 2 per cent on the same six months of 1990, to just on £200m.

A key factor for airlines seeking [illegible] develop a role in current and future distribution chain activities will [illegible] their ability to provide a fast, reliable electronic exchange of information, both between [illegible] other [illegible] with shippers.

In that context, the airline [illegible] industry [illegible] increasingly concentrating [illegible] development [illegible] community systems, particularly of [illegible] "neutral" kind, which can be used by a broad [illegible] parties worldwide and also interface with other [illegible] in a true EDI (electronic data interchange) manner.

Mr Lew Llewellyn, senior [illegible] commercial services [illegible] BA Cargo, makes [illegible] point that it is no [illegible] sufficient for airlines simply [illegible] core airport-to-airport [illegible] business [illegible] a closed international communications network.

"[illegible] systems will [illegible] be replaced [illegible] the very latest technology. That will enable an airline [illegible] provide [illegible] that EDI will demand with the [illegible] of "pipeline visibility" [illegible] will expect, and have more of [illegible] on distribution. Systems will need [illegible] be easy to use, very flexible and above all, [illegible] effective," he [illegible]

[illegible] of BA Cargo's answers [illegible] those requirements is [illegible] (Cargo Agents Reservations Air waybill issuance and Tracking system). The system is already on [illegible] at some 90 forwarding [illegible] in [illegible] UK. Now, in conjunction with [illegible] industry [illegible] Ferranti [illegible] airline KLM, BA has developed [illegible] facility which will enable forwarders all [illegible] the world to dial up the [illegible] system.

Neutrality is very much to [illegible] fore in [illegible] thinking of [illegible] airline Swissair which has developed a [illegible] industry electronic information network known as [illegible] (Cargo Community System Switzerland). The [illegible], which [illegible] a pilot project for Iata (International Air Transport Association), should become fully operational next spring.

"CCS-CH is a neutral air cargo system which will be available to all parties, including forwarders, airlines, postal authorities, customs and private customers," says Mr Robert Wagner, general manager marketing cargo and mail for Swissair.

To further highlight the "neutral" nature of the system, Swissair [illegible] soon to transform the CCS-CH organisation into a limited company with [illegible] wide range of shareholders. Air France and Lufthansa of Germany have already moved in that direction with the establishment earlier this year of a company called GLS Europe (Global Logistics System) "to provide [illegible] link between part-[illegible] in the logistics chain".

Airfreight forwarders, too, are investing heavily in [illegible] information technology. [illegible] based Air Express Interna-[illegible] (AEI) [illegible] it is currently spending some $12m a year on the operation and development of its Logis (Logistics Information System) system.

AEI [illegible] established a two-way computer-to-computer link with BA to provide instant information about the status of its shipments [illegible]here on the [illegible] global network. Similar links [illegible] been [illegible] in place with United Airlines, Federal Express and KLM.

However, forwarders and airlines agree that in order to [illegible] increasingly sophisti-[illegible] needs [illegible] distribution service [illegible] their co-operation [illegible] to [illegible] beyond information technology links.

Mr Tom Stack, the vice-president and managing [illegible] of AEI (UK), says airlines should, for example, take a more business-like [illegible] towards rate [illegible]. "In order that forwarders and shippers [illegible] plan ahead, [illegible] need to know impending airline rate increases two or three months in advance," he [illegible]

Mr Stack says there will also [illegible] greater demand for [illegible] quality and [illegible] criticises his own industry, the forwarding sector, for sometimes lacking "proper measured standards". He says shippers should demand higher quality [illegible] their forwarders. "The [illegible] forwarders will respond with the [illegible] levels needed and demand it from the airlines," he adds.

The pressure on the air [illegible] industry to improve service quality standards [illegible] also [illegible] in [illegible] number [illegible] other areas.

The cargo division of Virgin Atlantic Airways, for example, recently [illegible] up [illegible] making ground-handling companies working for the airline accountable for the service levels they provided.

Explaining [illegible] move, [illegible] Jane Spanton, Virgin's director of cargo operations, comments: "Handling companies must realise that we as an airline aim to give 100 per cent service to our clients. That means that we, in turn, expect 100 per cent service and commitment from our handling companies."

■ POSTAL SERVICES

Stakes are high

PRIVATE couriers throughout the European Community are *nervously awaiting* [illegible] EC's [illegible] development of the single market for postal services.

The [illegible] high for [illegible] Express of [illegible] US, [illegible] international courier DHL and [illegible] delivery company TNT. They have spent [illegible] of pounds [illegible] pan-European distribution networks; [illegible] would [illegible] hopes of capturing the [illegible] business volumes needed [illegible] a return on [illegible]

In a [illegible] Euro-[illegible] Commission, [illegible] Express Organisation (EEO), *an association of European private delivery services*, [illegible] *of* postal [illegible] would lead to [illegible] competitive private express [illegible] parcel delivery services.

[illegible] is [illegible] to support this: in the more liberalised US, postal traffic grew 46 per cent from 1981 to 1988 and there is a postal service to every address in the country.

A few European post offices believe more competition is no bad thing. Britain and the Netherlands have already made changes ahead of the EC green paper, expected next month.

The Royal Mail is proposing to allow private couriers to use part of its service for the final delivery of [illegible] in [illegible] which they do not cover, such as remote villages. The Nether-[illegible] trying to [illegible] business away from more conservative countries by offering lower charges for bulk mail from the rest of Europe [illegible]

However, most [illegible] which together employ 1.25m people, [illegible] fighting [illegible] preserve [illegible] *quo*. They [illegible] continuation of [illegible] postal system guaranteeing regular deliveries [illegible] EC [illegible] in the outposts [illegible] the Community. Stripped [illegible] their monopoly [illegible] the [illegible] densely-populated [illegible] post [illegible] warn they could [illegible] in [illegible] regions.

[illegible] – such as Dr [illegible] Albon, [illegible] in [illegible] Australian [illegible] University who is visiting [illegible] University of Birmingham – [illegible] that competition could *adversely affect rural services by raising prices.*

In a report for [illegible] Industry, [illegible] UK industrial pressure group, he says urban householders would benefit at the expense of rural ones.

The battle between the private couriers and national post offices is reflected within the European Commission. Its telecommunications directorate, which is formally in charge of the green paper, has until recently supported the national post offices' main arguments against wholesale liberalisation.

However, Dr Pieter Weltevreden, [illegible] of [illegible]cations, last month told [illegible] Financial Times conference on postal [illegible] that the "appli-[illegible] *should* [illegible] *the norm*". [illegible] regulated, but [illegible] their aims should be clearly defined.

With the competition directorate pressing for greater competition, the [illegible] expected [illegible] require post offices [illegible] stop anti-competitive cross-subsidies. *If a post office props up its parcels division, for example, by using revenue from its* letters monopoly, it is clearly frustrating competition within that business by charging arti-[illegible] *prices*.

The [illegible] should address the problem

The Commission appears to [illegible] accepted arguments by some private operators that post office rules [illegible] cross-subsidy [illegible] EC competition laws.

In the past, the Commission has not been afraid to tackle national post offices' anti-competitive measures by forcing member [illegible] *such as* Italy to [illegible] *restrictions on* [illegible] tional [illegible]

SFEI, the French private courier association, has complained that indirect subsidies of more than £150m from monopoly revenues have been given to Chronopost, its semi-state rival.

The Commission should *address that problem by preventing* [illegible] *obvious* forms of cross-funding. The Commission also [illegible] to [illegible] sided with private courier companies over their demands for [illegible] liberal postal [illegible] within [illegible] Community.

It is expected [illegible] that the system of charging between national postal administrations [illegible] *delivering* [illegible]ch others' mail, known *as terminal dues*, should be reformed to reflect true costs. The Commission also appears to have sided with private courier companies over their demands for a more *liberal postal service within the Community.*

But the *telecommunications* directorate [illegible] final version will not be seen to [illegible] total liberalisation. As one EC official put it: "We are not in the business of allowing a private courier firm to cream off the most lucrative areas in the community."

Roland Rudd

LONDON [illegible] EXCHANGE

Erratic trade leaves shares steadier

By Terry Byland, UK Stock Market Editor

Account Dealing Dates		
*First Dealings:		
Nov 25	Dec [illegible]	Dec 30
Option Declarations:		
Dec 5	Dec 23	Jan 9
Last Dealings:		
Dec 6	Dec 27	Jan [illegible]
Account Day:		
Dec 16	Jan 6	Jan 20

*New-time dealings may take place from 8.30 am two business days earlier.

A RANGE of domestic and international uncertainties was reflected in an erratic perfor[illegible] by the UK stock market yesterday. Equities closed firmer on the day but UK analysts put little faith in share prices which moved with extreme volatility as investors responded [illegible] widespread uncertainty in global markets as well as to new problems [illegible] the home front. The cautious trend was emphasised by further stress on the UK corporate sector, underlined by develop[illegible] Maxwell family companies and by concern ahead [illegible] tomorrow's meeting [illegible] the Bundesbank council to discuss German interest rates.

The [illegible] the FT-SE futures contract had [illegible] able [illegible] on a [illegible] market which opened 22 Footsie points higher and then plunged a net 18 down before rallying smartly as Wall Street opened inoffensively to show a 4.70 dip in UK trading hours.

The final reading put the FT-SE Index [illegible] 2,420.2, [illegible] net gain on the day [illegible] points. The Footsie 2,420 level [illegible] regarded as important by many analysts. Mr Richard Lake, [illegible] specialist at Hoare Govett, the London securities house, warned yesterday that, with [illegible] this week, [illegible] "medium -term target" of [illegible] "increasingly [illegible] likely".

Mr Nicholas Knight, who [illegible] taken [illegible] increasingly [illegible] view at Nomura [illegible] Institute, said [illegible] "further sharp falls must be anticipated", and the market [illegible] unlikely to find genuine [illegible]port until at [illegible] 2,300.

However, early trading [illegible] the market [illegible] successfully [illegible] Footsie 2,396.9, raising hopes that [illegible] may yet prove [illegible] support level.

The early strength of [illegible] UK [illegible] easily justified [illegible] of the [illegible] 40.7 [illegible] Industrial Average overnight, [illegible] by [illegible] firmer [illegible] in Tokyo. With sterling still steady, the [illegible] rally in [illegible] equity market as bear closers continued to buy stock in London.

But the initial buying came mostly from the market making houses and was fuelled by [illegible] strong rise [illegible] the FT-SE futures contract. Euphoria was quickly undermined by trading [illegible] from Trafalgar [illegible] construction conglomerate, where [illegible] raised [illegible] the [illegible] dividend.

The [illegible] for [illegible] payme[illegible] particularly signif[illegible] present [illegible] stock market which is in part supported by dividend yield considerations. The building and construction sector, already hurt by [illegible] week's bad news [illegible] Y.J. Lovell, [illegible] housebuilder, was adversely affected by Trafalgar's statement.

Sellers returned immediately and, with the bear closers out of the way, [illegible] market fell swiftly. [illegible] said that there [illegible] still substantial selling [illegible] wings. [illegible] downturn was strengthened by weakness [illegible] the stock index futures market where the pre[illegible] on [illegible] con[illegible] was [illegible] rapidly.

Genuine investment [illegible] in equities remained fairly uninspiring, however, fuelling [illegible] be further [illegible] cutbacks [illegible] stock [illegible] Christmas. Seaq volume totalled 464.7m shares yesterday, against [illegible] previous session. Stock Exchange data [illegible] retail, [illegible] business, continues to fall [illegible] £1bn daily figure regarded [illegible] a healthy London-based securi[illegible] industry.

Trafalgar House tumbles

FEARS [illegible] Trafalgar House, one [illegible] the [illegible] favoured yield stocks, may cut its interim dividend sent the share price tumbling yesterday in its biggest one-day setback since the market crash of 1987.

The full-year figures, down 19 per cent at £122.4m, were in line with market expectations and it was the accompanying statement from the chairman that prompted the share slide.

He said: "The timing and strength of any prospective economic recovery and the level of advance corporation tax write-off will figure on the board's consideration of the level of interim dividend."

Dealers, supported by analysts' advice that the statement signalled a dividend warning, rushed to sell the shares and at the day's worst the stock was down 33 at 170p. Nerves later steadied and the shares closed a net 26 down at 177p on turnover of 14m.

Mr James Ritchie at UBS Phillips & Drew said the chairman's statement signalled a dividend cut, adding that "the market is in no mood to take on uncertainty".

He downgraded profits and dividend expectations for the following year. UBS now expects full-year profits of £160m, against its previous estimate of £185m, and forecasts a dividend almost halved to 9.5p.

In sympathy with Trafalgar, P & O, having fallen 29 to 392p, rallied to finish a net 11 off at 410p on turnover of 3.6m.

Ultramar drops

Lasmo's increased bid [illegible] Ultramar, in the form of [illegible] in [illegible] of a straight share swap [illegible] shares plus cash offer, did no more than trigger [illegible] retreat in both share prices after an initial [illegible] indecision.

[illegible] 30 [illegible] on exceptionally heavy turnover [illegible] 7.2m, while Lasmo [illegible] 14 [illegible] 3m traded, with [illegible] saying the bid situation [illegible] finely [illegible].

Specialists said the oil sector [illegible] in disarray [illegible] altered terms from Lasmo. The latter's share price was said by [illegible] reflected the [illegible] the company could suffer if [illegible] bid [illegible] or [illegible] "The company [illegible] expand to succeed, which says its previous philosophy has failed, but if the bid is unsuccessful then there are fears it will launch another, possibly dilutive bid."

They also pointed to Ultramar's dismal performance, and said that if no other bidder emerges then Lasmo shares would fall even further, along with other oil shares as asset valuations were reduced.

Glaxo advances

UK dealers were active in Glaxo following recent good news, hopes of more to come, and strong buying in the US. The shares held up against the morning drop in the FT-SE Index and closed 30 ahead at 809p. The rise represents more than 6½ points on the Footsie.

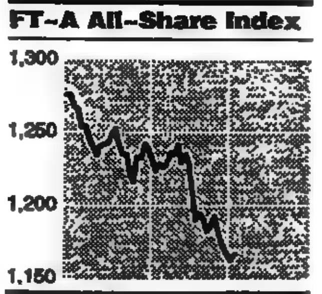
The stock was marked up sharply at the start of trading after strong buying in the US. It stood at 797p at the official opening but was [illegible] back [illegible] some time by a line of 1.2m shares taken on at 780p by one securities house. The placing of those shares, and the start of the new Wall Street session, prompted a further rally and led to total turnover of 6.7m, heavy for the stock.

Observers said the shares, which have doubled since early January, were responding to approval in Italy for Glaxo's anti-migraine drug Imigran, and enthusiastic comment in the US. They also benefited from optimism over the company's anti-ulcer drug Zantac ahead of its annual research and development presentation to analysts next Monday.

However, some analysts are beginning to voice doubts. Nomura Research argues that Glaxo's present rating "leaves little room for doubt or disappointment on Zantac", and it has a sell stance on the pharmaceutical group.

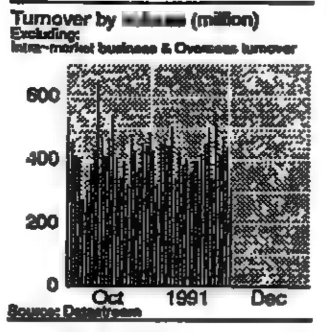
Sliding metal prices and worries about their effect on the UK's leading mining/metals groups triggered big falls in RTZ and Lonrho, among the world's biggest metal mining companies.

FT-A All-Share Index



Equity Shares Traded

Turnover by [illegible] (million) Excluding: Intra-market business & Overseas turnover



Source: Datastream

Lonrho was among the weakest performers in the Footsie, dropping 20 to 200p, [illegible] reports [illegible] a leading [illegible] was talking [illegible] lower [illegible] steep falls in specialist metal prices. Turnover in Lonrho was a heavier than usual 5.2m. The big fall in Lonrho also impacted on RTZ shares, which retreated 13 to 493p on turnover of 2m.

Worries about the Maxwell empire's debts and the huge problems of debts and bankruptcies facing the high street banks caused another flurry of selling in the banking sector.

NatWest, said to have the biggest exposure to the Maxwell empire, was the most heavily traded stock and the shares receded 10 to 275p on 5.9m, while Barclays declined 7 to 356p on 4.1m and Midland 3 to 205p.

Lloyds, in spite of the bank's relatively large exposure to the Maxwell group, performed exceptionally well, closing unchanged [illegible] 364p, having fallen [illegible] early [illegible]

Switching [illegible] the high [illegible] Abbey [illegible] which rose [illegible] to 275p. However, TSB [illegible] friendless, easing 2½ [illegible] 117½p, the lowest level since September last year. It was still depressed by [illegible] poor profits [illegible] disappointment [illegible] link-up [illegible] Cariplo, [illegible] savings bank, did [illegible] involve [illegible] buying [illegible] TSB.

[illegible] forged [illegible] 17 to 407p following heavy buying by Paribas, the French-owned stockbroker, and support from [illegible] Govett. The UK broker is thought to have published [illegible] strong buy recommendation on Standard yesterday.

Royal [illegible] bore [illegible] brunt of some large-scale [illegible]ing of the composite insurers, with the shares closing 4 off at 263p, the lowest level for over five years. Guardian Royal rallied 4 to 140p with a hefty 5.7m shares traded.

SmithKline Beecham continued to gain ground on news of its new anti-ulcer drug and added 20 at 789p. Sentiment was also helped by the imminent listing of the shares in Tokyo.

A number of securities houses took the [illegible] pencil to their profits estimates for ICI following the forecast cut by Smith New Court on Monday and gloom emanating from German chemical companies. The general drift in sentiment prompted the shares to slide [illegible] 1186p, [illegible] below the price Hanson paid for its 2.8 [illegible] cent stake of 20m shares [illegible] the [illegible]

[illegible] the [illegible] lower their figures was Nikko Europe, which [illegible] 1991 estimate by £25m to £875m [illegible] that for 1992 by £100m [illegible] £1.1bn.

Suggestions of [illegible] asset sales, after [illegible] series of [illegible] by [illegible] sector analysts, [illegible] Burmah Castrol dip [illegible] to 533p, [illegible] worries about the [illegible] of counter-bidders [illegible] had [illegible] unsettling effect on other oil [illegible] such as Enterprise, which fell 13 to [illegible]

High street retailer W.H. Smith celebrated [illegible] entry into the Footsie list of [illegible] top [illegible] by moving [illegible] strongly [illegible] close 14½ higher at 469½p. [illegible] by Reuters yesterday of [illegible] Japanese-lan[illegible] news [illegible] service for [illegible] capital [illegible] was received [illegible] by the market and the shares strengthened 9 to 902p.

Hanson hovered in front of full-year results scheduled for today, closing just [illegible] penny [illegible] 197p after [illegible] shares traded. Analysts are expecting the conglomerate to announce [illegible] profit in [illegible] of £1.3bn but are concentrating [illegible] the statement.

A positive [illegible] from Yorkshire [illegible] lunch for institutional inves[illegible] helped [illegible] to jump 32 [illegible] 573p.

Interim profits [illegible] expectations benefited [illegible] gained [illegible] 180p.

[illegible] of full-year results [illegible] today. Analysts [illegible] expecting profits to be in the region of £480m to [illegible] but there [illegible] over possible provisions for [illegible]

[illegible] Group [illegible] 175p [illegible] week's full-[illegible] results, [illegible] continued [illegible] in Rank Organisation, [illegible] 18 [illegible] busy trading [illegible] 1.3m.

[illegible] troubled [illegible] Group slipped a [illegible] 15½p [illegible] the leisure company pre[illegible] "substantial" [illegible] for its [illegible] year.

Profit-taking continued [illegible] a second day in Airtours, the high-flying package holiday [illegible] closed [illegible] down [illegible]

Heavy trading in British [illegible] at [illegible] Other property issues [illegible] fare [illegible] lightly.

MARKET REPORTERS:
[illegible] John, Joel Kibazo,
Christopher Price,
Steve Thompson.

■ Other market statistics, including the FT-Actuaries [illegible] Indices and London [illegible] Options, Page 24.

NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (16).
AMERICANS (1) Houston Inds., CANADIANS (2) Bank of Montreal, Bank of Nova Scotia, BUSINESS SERVICES (1) Inchcape, CHEMICALS (1) Yorkshire, ELECTRONICS (2) Borland, Druck, FOOD MANUFACTURING (1) Borthwicks, MEDIA (1) LWT 3.9375p Pfd., OIL & GAS (1) Ohio Res., PACKAGING, PAPER & PRINTING (1) CMB Pckg., TEXTILES (1) Leeds, TRANSPORT (1) BAA, WATER (1) South Staffs., SOUTH AFRICANS (1) Tongaat-Hulett, MINES (1) Anglovaal.
NEW LOWS (84).
AMERICANS (3) IBM, TRINOVA, Texas Instrs., CANADIANS (2) Granges Explrn., TVX Gold, Tern Pure Tech., BANKS (2) Anglo Irish, TSB, BUILDING MATERIALS (4) Ibstock Johnsen, Redland, Steetley, Ward Group, BUSINESS SERVICES (2) Gardner (DC), Peena, CONGLOMERATES (2) Harrisons & Crosfield, Trafalgar House A, CONTRACTING & CONSTRUCTION (14) AMEC, Do. 6.5p Prf., Bailey (Ben), [illegible], CALA, Countryside Props., Higgs & Hill, Laing (J), Do. [illegible] N/Vtg., Lilley, Lovell (YJ), Mowlem [illegible] Prowting, ELECTRICALS (1) BICC, [illegible] (1) [illegible] ENGINEERING GENERAL [illegible] Elliott (B), [illegible] Ltd., [illegible] FOOD MANUFACTURING (1) Grand Central, HOTELS & LEISURE (2) Sleepy Kids, Stakis, INSURANCE COMPOSITE (1) Royal Insce., INVESTMENT TRUSTS (3) Abtrust New Dawn Sers. B Wrrnts., Drayton Eng. & Intl. Wrrnts., French Prop., MEDIA (1) Black (A & C), METAL & METAL FORMING (1) Glynwed, MISCELLANEOUS (2) Bilston & Battersea, Christies Intl., Stonehill, MOTORS (2) European Motor, GKN, OIL & GAS (3) Enterprise, LASMO, Pict Pet., OTHER FINANCIAL (1) King & Shaxson, OTHER INDUSTRIAL MATERIALS (1) Nokia, PROPERTY (7) Bucknall, Greycoat, Gt. Portland, Chesterfield, Derwent Valley, MEPC, Micklegate, TRANSPORT (2) P & O Dfd., Do. Wrrnts. '88-92, WATER (1) Anglian.

FINANCIAL TIMES STOCK INDICES

[illegible]

TRADING VOLUME IN MAJOR STOCKS

[illegible]

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

FOOTSIE [illegible] trading [illegible] speculated [illegible] the outcome of tomorrow's Bundesbank meeting on German [illegible] rates, writes Joel Kibazo.

The December contract opened firmly, taking its cue [illegible] a positive performance on Wall Street, and [illegible] a healthy premium to cash. [illegible] early rise proved unsustainable [illegible] independent dealers led the contract lower. It [illegible] from the day's high [illegible] 2412. Support [illegible] lower levels early in the afternoon and [illegible] bounced, encouraged by a firm gilt [illegible] market.

Volume [illegible] rolling [illegible] into the March contract. December closed at 2434, [illegible] points [illegible] its [illegible] fair value premium [illegible] of 11. [illegible] 9,693 further helped by a spate [illegible] closing toward the [illegible] of [illegible] session.

On LTOM, [illegible] reported a quiet session with volume down at 23,701. Amstrad [illegible] busiest stock option. It traded 1,013 [illegible] March [illegible] puts attracting [illegible] interest.

Midland [illegible], Hanson and Trafalgar House, which was active in the equity [illegible], were also busy.

LONDON SHARE SERVICE

BRITISH FUNDS

[illegible]

OTHER FIXED INTEREST

[illegible]

APPOINTMENTS

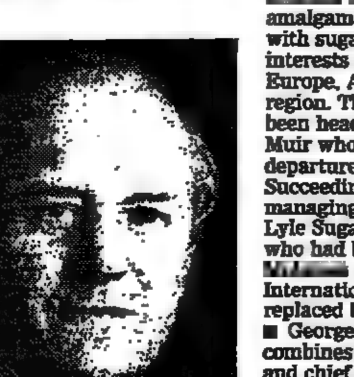
New generation readymixers

RMC GROUP, [illegible] world's [illegible] ready mixed [illegible] producer, has appointed [illegible] Young as group deputy managing director in a move which suggests [illegible] grooming the next generation [illegible] "readymixers" [illegible] well under [illegible]

Like [illegible] RMC's top executives, Young [illegible] spent the bulk of his career working with RMC. A 53-year-old civil engineer, he joined the group in [illegible] held posts in UK Readymix, sand and gravel, and [illegible] He was appointed [illegible] the board in 1977 as [illegible] of corporate planning and led the group's diversification into new areas such as [illegible] DIY retail busi[illegible]

[illegible] responsible [illegible] several [illegible] RMC's overseas operations in countries like France and Spain, where the group has been successful and now is either number one or two in terms of readymixed concrete market share. He has also been responsible for the DIY and building products divisions in the UK.

RMC is renowned for its strong overseas [illegible] – over three quarters of its profits came from abroad in the [illegible] half [illegible] – and [illegible] depth [illegible] management. The 66-year-old John Camden, chairman since 1974, joined [illegible] in 1951, [illegible] group managing director [illegible] the [illegible] the 61-year-old Jim Owen, joined in [illegible] two men [illegible] been responsible for developing RMC [illegible] one [illegible]



Britain's best-managed building [illegible] Young will [illegible] hard [illegible] follow, if as [illegible] likely, [illegible] heir-apparent.

■ Paul Mirsky has been named chief executive of a new [illegible] & [illegible] that amalgamates the UK business with sugar and related interests in continental Europe, Africa and the Pacific region. The UK operation had been headed by James Kerr Muir who announced his departure last week. Succeeding Mirsky as managing director of Tate & Lyle Sugars is John Walker, who had been md of United [illegible] and Tate & Lyle International. Walker is replaced by Stuart Strathdee.

■ George Squair, who combines the role of chairman and chief executive at SEEBOARD, is to retire in September 1992. He will be succeeded as chairman by Sir Keith Stuart, a non-executive director of the company. Jim Ellis, the company's commercial director, becomes chief executive.

Sir Keith, will [illegible] chairman of Associated British Ports, but will retire from the board of [illegible]

■ Nigel Elwes has been elected executive chairman of REYKER SECURITIES when its founder Nicholas Freeman steps down at the end 1991.

■ KEMPER INVESTMENT MANAGEMENT has appointed David D'Orgee as marketing director. He joins from Henderson Administration International.

■ Christopher Hartley advances to vice chairman of [illegible] CORPORATION OF NEW [illegible] FUTURES [illegible] London.

Canadian at Wolff

[illegible] group [illegible] is strengthening the senior management team [illegible] RUDOLF WOLFF, [illegible] London-[illegible] commodity broker, by appointing [illegible] Bill Harker, [illegible] managing director.

[illegible] Wolff family business was bought by Noranda in 1971, although several Wolffs [illegible] been [illegible] in the opera[illegible] since. Francis Holford, who married into [illegible] family, has been managing director [illegible] 1976, as well [illegible] chairman [illegible] 1984. [illegible] 54-year-old [illegible] stays on as chairman.

David Bumstead, president [illegible] Noranda [illegible] Corporation in Toronto, said that [illegible] Wolff's business had expanded - including in the [illegible] managed futures funds - and [illegible] the regulatory [illegible] on commodi[illegible] brokers in London had increased, it was appropriate that senior management should be [illegible]

Harker, [illegible] and started [illegible] an electronics engineer with IBM, comes from Royal Trust, Cana[illegible] largest trust bank, where [illegible] managing partner. Although [illegible] direct experience [illegible] futures business, he has [illegible] in capital [illegible]kets generally.

John Wolff, [illegible] chairman [illegible] London Metal Exchange [illegible] role as marketing director [illegible] Wolff. [illegible] said [illegible] company [illegible] "a good future" for him [illegible] LME chairmanship [illegible] end.

Noranda reported [illegible] Wolff, by contrast, would [illegible] "[illegible] good contribution" [illegible] group [illegible] year, [illegible]

LONDON SHARE SERVICE

AMERICANS

Notes	Price £	+ or -	1991 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs	33 11/16 xd	+1 1/4	34 5/8	20 7/8	14,369	1.7
Allegheny & W	268p	+35	385p	218p	139.3	6.3
AmCast	705p rd	+2	19 1/8	667p	781.1	0.8
Amer Cyanamid	31 1/2	+1 3/16	42 1/8	25 1/8	2,947	2.7
Amer Express	10 3/8 xd	+ 1/32	17 7/8	9 1/16	5,051	5.3
Amer T & T	20 7/16 xd	- 1/32	24 1/2	15 1/4	20,695	3.6
Ameritech	34 7/16	+ 7/8	38 7/8	32 1/2	15,078	5.5
BankAmerica	18 7/16 xd	+ 1/16	26 3/16	12 1/16	4,088	3.7
Bankers NY	35 5/16 xd	+1 3/8	38 1/16	29 1/16	2,874	7.8
Bell Atlantic	25 1/2 xd	—	30 1/2	24 1/4	10,828	5.6
BellSouth	28 3/4	+ 1/2	31 1/4	25	12,974	5.8
Bethlehem Steel	6 3/8 xd	+ 1/16	11 1/4	6 3/16	485.8	3.5
Bowater	1150p	+4	1839p	1046p	413.1	5.9
CPC	47 xd	+1 1/2	54 15/16	37 13/16	3,552	2.4
California Engy	831p	—	930p	420p	151.3	—
Campbell Soup	44 xd	+ 3/16	50	28 1/4	6,622	1.9
Chase Manhattan	8 1/16	+ 1/32	12 3/4	5 3/16	1,188	7.8
Chrysler	6 5/8 xd	+ 1/8	9 3/16	5 1/2	1,899	5.1
Citicorp	6 xd	+ 1/16	10 3/8	5 7/8	2,061	—
Colgate-Palm	24 13/16 xd	+ 7/16	28 5/8	21 3/16	3,473	2.5
Cont'l Bank	480p	-5	928p	438p	485.1	7.0
Dana	14 13/16 xd	+ 1/4	21 5/8	13 13/16	698.9	6.1
Data General	811p	+10	1282p	203p	223.8	—
Dial	24 7/8 xd	- 3/16	25 [illegible]	12 7/8	962.9	3.2
Dun & Brad	27 1/2	+ 1/2	29 [illegible]	20 3/4	4,989	4.4
Eaton	33	+1 1/8	[illegible]	24 1/4	1,121	3.7
Echlin	6 1/16 xd	+ 1/8	8 1/2	5 1/2	340.2	6.5
FPL	19 5/8 xd	+ 1/8	20 1/8	14 7/16	3,328	6.9
Fluor	21 3/4 xd	+ 1/8	30 1/16	17 7/16	1,720	0.8
Ford Motor	13 3/4 xd	+ 1/4	23 1/4	13 1/8	6,589	4.1
Gen Elect	37 xd	+ 9/16	46 13/16	28 3/16	32,083	3.1
General Host	482p	+11	586p	270p	—	5.0
Gillette	24 3/8 xd	+ 1/8	45 3/4	20 7/8	6,329	1.4
Hasbro	20	- 1/4	20 7/8	794p	1,148	0.7
Honeywell	33 1/2 xd	+ 3/16	38 1/2	21 3/4	2,358	2.8
Houston Inds	23 1/2	+ 1/16	23 1/2	17 7/8	3,828	7.1
IBM	52 1/16 xd	- 1/16	72 11/16	52 1/16	29,786	5.2
Ingersoll-Rand	24 13/16 xd	- 1/16	32 1/2	18 3/16	1,293	3.0
Lockheed	24 3/4 xd	+ 1/16	28 1/8	16 3/8	1,567	4.5
Lowe's	1668p	+47	2155p	1245p	571.1	2.0
Man Hanover	13 13/16 xd	+ 3/16	18 7/8	9 1/2	1,858	13.3
Merrill Lynch	28 3/16 xd	+1 1/16	32 7/8	10 7/16	2,819	2.0
Morgan (JP)	34 1/2 xd	+ 3/4	38 1/4	21 1/4	6,518	3.2
Morris (Philip)	38 7/8 xd	+ 3/4	44 1/4	25 7/16	35,991	3.0
NYNEX	42 3/4	+ 1/2	45 3/4	39	8,638	6.0
Pac Agric	28 1/2p	—	99p	15p	—	—
Pall	28 7/8	+ 7/8	23 13/16	15 7/8	1,228	1.2
Pennzoil	32 3/4 xd	- 1/16	45 1/8	32	1,323	5.1
Quaker Oats	39 5/8 xd	+1 1/16	40 1/2	24 7/8	3,030	2.4
Rockwell	14 3/16 xd	+ 1/16	17 3/8	12 1/8	3,293	3.6
Rep NY	22 1/16	+ 1/16	27 13/16	16 1/2	1,173	2.5
Sears, Roebuck	20 3/16 xd	+ 3/16	25 7/8	12 13/16	6,989	5.5
Sthwestern Bell	32 3/4 xd	+ 3/4	34 1/2	25 5/8	9,819	4.9
Sun Co	15 1/8 xd	—	20 1/4	14 1/16	1,683	6.8
Tenneco	18 3/4 xd	—	27 1/8	18 1/16	2,296	4.8
Texaco	33 5/8 xd	+ 1/16	40 1/2	29 1/16	8,886	5.3
Texas Instr	15 5/16 xd	- 1/32	26 1/8	15 1/16	1,275	2.6
Time Warner	47 13/16 xd	+1 1/16	64 1/2	37 7/8	4,414	1.2
TRINOVA	8 13/16 xd	- 1/16	16 3/8	8 1/16	248.7	4.3
Unilab	568p	—	555p	250p	472.8	—
Utd Tech	26 3/16 xd	- 1/2	29 3/8	22 3/8	3,164	3.8
Utilitech	66p	—	92p	42p	—	—
US West	19 5/8	+ 1/8	23	18 1/4	[illegible]	6.0
Varity	93p	- 1/2	182p	87 7/8p	[illegible]	—
Waste Manage	21 3/8 xd	+ 1/4	24 3/16	16 5/8	[illegible]	1.2
Whirlpool	1661p	+70	2346p	1053p	[illegible]	3.2
Woolworth	14 1/8	- 1/8	20 3/16	13 1/2	[illegible]	4.3

CANADIANS

Notes	Price £	+ or -	1991 high	low	Mkt Cap£m	Yld Gr's
Abbot Energy	2p	-1 1/2	11p	2p	—	—
Amer Barrick	1420p	-14	1477p	953p	[illegible]	0.3
Bk Montreal	20 1/4	+ 1/2	20 1/4	13	[illegible]	5.3
Bk Nova Scot	1033p xd	+16	1033p	536p	2,498	4.9
BC Gas	808p	+12	862p	839p	—	3.8
BCE	23 1/2	+ 1/4	24	17 1/4	7,241	8.2
Brascan	920p	+2	18 1/2	847p	768.7	5.7
Breakwater	11 1/2p	-1 1/2	36p	9p	7.31	—
Can Imp Bk	1610p	+7	1720p	1180p	2,956	4.2

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING AEROSPACE

ENGINEERING GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HEALTH & HOUSEHOLD - Cont.

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

MEDIA

MERCHANT BA

METALS & MI

MISCELLAN

هكذا من الأصل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1991 high	1991 low	Yld Gr's	NAV	Dis or Pm(-)
Sphere Inc		29	—	33	19½	25.6	22.3	13.0
Zero Div Pf		68½	+½	68½	58½	—	—	—
Warrants		3	—	9½	3	—	—	—
Strata		146	—	154	104	1.2	177.0	17.5
Stratton		146	—	150	120	1.7	177.7	17.8
TR City of Lon		118¾	+1½	121¼	90	5.5	109.2	−1.0
TR Euro Growth	s	94	—	104	78	1.4	95.2	1.1
Ptg Sob	s	56	—	59	40	2.4	—	—
TR Far East Inc		78xd	+1	94	58	7.2	91.3	14.5
Warrants		16	—	23	12	—	—	—
TR High Inc	H	104	—	116	85	7.7	96.0	−8.3
Sob	g	34	—	35	24	5.9	—	—
TR Pacific		66	—	92	49	0.5	79.6	17.1
TR Prop		27½	+½	37	27	7.2	35.4	22.3
TR Smaller		137½	+1½	155	98	3.5	148.6	7.8
TR Technology	s	36	—	52	20	5.5	95.2	62.2
Stepped Pf		89¼	−½	94½	70½	8.2	—	—
Zero Pf		164½	—	166½	117½	—	—	—
Temple Bar	†	252	+3	276	210	6.3	273.8	8.0
8pc 2002		£111½	—	£111½	£102½	6.4	—	—
Temple Em Mkts	as	164	—	173	92	0.5	164.2	0.1
Warrants		66	—	63	27	—	—	—
1pc Cv 2001		£162½	—	£167½	£90½	0.6	—	—
Thornton Asian		58	—	72	55	1.1	69.1	16.0
Warrants		11	—	18	9	—	—	—
Thornton Pan Euro		27	—	31	25	4.3	30.4	11.0
Warrants		5	—	10	5	—	—	—
Throg Dual Inc		181	—	190	93	11.6	—	—
Cap		338	—	368	260	—	649.1	47.9
Throgmorton		49	+1½	64	45½	5.9	68.1	30.3
Warrants		16	—	26	15	—	—	—
Throg USM		104	—	119	81	4.7	126.4	17.6

MISCELLANEOUS - Cont.

OIL & GAS - Cont.

OTHER FINANCIAL

MOTORS

OIL & GAS

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

MEDIA

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used [illegible] Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs [illegible] are based on intra-day mid- prices.

Where stocks are denominated in currencies other [illegible] this is indicated after the name.

Symbols referring to dividend [illegible] in the notes column daily as a guide to yields and P/E ratios. Dividends and [illegible] covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual rep[illegible] and [illegible] possible, are updated on half-yearly figures. P/Es [illegible] on "net" distribution basis, earnings per share being computed on profi[illegible], excluding exceptional profits/losses and unrelieved ACT where [illegible] Yields are based on mid-prices, are gross, adjusted to [illegible] of 25 per [illegible] for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the [illegible] pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes [illegible] where transactions and prices are published continuously [illegible] Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- Highs and lows [illegible] been adjusted to allow for [illegible] for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dea[illegible]d under rule [illegible]
- ✤ USM, not listed on Stock E[illegible] company not [illegible] degree of regulation as list[illegible]
- ⊠ Not officially UK listed; dea[illegible]d under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights [illegible]
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield ... based on earnings updated by latest interim statement.
- ♦ Unregulated collective investment scheme.

a Yield based on annualised dividend. b Figures based on prospectus or other offical estimates. c Cents. f Flat yield. ... yield, p/e based on previous year's earnings. v [illegible] local tax. z Dividend yield includes a special payment. E Minimum tender price. F Yield based on prospectus or other official estimates for ... M Yield based on prospectus or other ... official [illegible] for 1991-92. N Yield based on prospectus or other offical estimates for 1989-90. P Figures based on ... rr ex rights; xa ex all; xl ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1150 a year for each security shown, subject to the Editor's discretion

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

For Geoffrey Morley see Commercial Union

Murray Johnstone UT Mgmt (1000)H
7 West Nile St, Glasgow G2 2PX 0345 090 933

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Acumen	5	66.78	66.99	71.50	+0.70	4.54
Acumen Reserve	3	66.48	66.48	68.46	+0.11	9.66
American Income	5	124.95	125.00	132.50	+1.90	3.65
Equity Income	5	76.23	76.23	81.35	+0.44	6.30
European	5	50.65	50.65	54.05	-0.37	1.41
Far Eastern	5	104.27	104.30	111.30	+0.60	0.92
Smaller Cos	5	46.70	46.70	49.83	-0.23	3.07
Olympiad	5¼	44.73	44.73	47.70	+0.43	0.95
Olympiad Income	5¼	41.60	41.60	44.38	+0.29	6.30
UK Growth	5	71.98	72.74	77.64	+0.51	1.93

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

هكذا من الأصل

FT MANAGED FUNDS SERVICE

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

	Init. Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Sovereign Unit Tst Mngrs Ltd (1000)F						
12 Christchurch Rd, Bournemouth 0202 298422						
Cash	1	49.80	49.80	50.30	+0.01	10.6
Cntrl'd Primace	5½	47.70	48.00	51.20	-0.10	9.41
Ethical	5½	47.02	48.04	51.11	+0.10	5.01
European Growth	5½	44.48	44.62	47.59	-0.67	3.3
Income	5½	44.52	45.04	48.04	+0.06	8.01
Intl Growth	5½	61.60	61.73	65.85	+0.42	3.46
Managed	5½	55.23	55.59	59.30	+0.43	4.79
UK Growth	5½	48.04	48.67	51.91	+0.14	6.06
Standard Chartered Equitor (1200)F						
69 Old Broad Street, EC2M 1QS 071-280 6521						
Mngd Exempt Acc	3	184.3	186.3	194.0	+0.2	3.17
Do Income	3	175.9	177.0	185.2	+0.2	3.17
Standard Life Tst Mgmt Ltd (0629)H						
3 George St, Edinburgh EH2 2XZ 0800 393777						
Managed Acc	5¼	34.05	34.05	36.18	-0.2	2.61
UK Equity Gth Acc	5¼	45.74	46.65	49.57	-0.1	2.24
UK Eq High Inc Inc	5¼	28.81	29.56	31.41	-0.3	6.47
UK Eq High Inc Acc	5¼	32.99	33.24	35.32	-0.3	6.47
UK Equity Gen Acc	5¼	43.64	44.38	47.16	-0.2	3.61
UK Equity Gen Inc	5¼	34.15	34.73	36.91	-0.2	3.61
UK Larger Cos Acc F	7½	285.0	288.9	313.5	-1.6	4.83
UK Larger Cos Inc F	7½	229.4	232.6	252.4	-1.3	4.83
Gilt & Fxd Int Inc	5¼	27.25	27.32	28.90	-0.1	7.93
O'seas Lrg Cos Acc F	7½	201.8	205.8	223.4	-1.9	2.24
Nth American Acc	5¼	33.14	33.32	35.41	+0.3	0.87
Far East Acc	5¼	38.62	39.60	42.08	-0.8	0.17
European Acc	5¼	31.84	33.44	35.53	-0.3	1.67
Stewart Ivory Unit Tst Mgrs Ltd (1200)H						
45 Charlotte Sq, Edinburgh 031-226 3271						
American ♥	5	272.4	272.4xd	291.6	+1.5	0.90
(Accum Units) ♥	5	320.6	320.6	343.2	+1.8	0.90
British	5	779.0	789.0	834.8	-2.2	6.21
(Accum Units)	5	1279.9	1296.3	1371.6	-3.6	6.21
European	5	308.5	308.5	328.6	-3.1	1.56
(Accum Units)	5	334.4	334.4	356.2	-3.4	1.56
Japan	5	107.8	107.8	114.7	+0.9	-
(Accum Units)	5	108.7	108.7	115.6	+0.9	-
New Pacific	5	167.3	167.3	178.5	+0.8	1.94
(Accum Units)	5	171.8	171.8	183.3	+0.8	1.94
PEP Nov 27	5	141.7	143.7	152.0	.....	3.70
Mngd Equity	5	118.3	119.7	126.6	+0.5	3.60
Mngd Equity Acc	5	125.9	127.0	134.3	+0.5	3.60
Mngd Cash	5	96.65	96.65	99.55	+0.02	10.17
(Accum Units)	5	116.8	116.8	120.4	+0.1	10.17
Mngd Fixed Int Acc Nov 27	5	121.1	121.1	127.2	.....	6.89
Majority Stlg	1	100.69	100.69	101.69	+0.02	10.03
Majority Stlg Acc	1	107.64	107.64	108.71	+0.02	10.03
Storebrand Intl Inv Mngrs Ltd (1200)F						
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex						
Enquiries: 0277 227300 Dealing: 0277 261010						
International Nov 26	0	50.32	50.32	50.85	.....	3.36
Alliance Unit Tst Mngmt Ltd (1200)F						
[illegible]'s Court, Horsham 0403 232329						
[illegible]		[illegible]	[illegible]	623.5	+2.7	3.37
[illegible] America		[illegible]	[illegible]	79.91	+1.27	1.03
[illegible]		[illegible]	[illegible]	91.70	+0.50	0.95
[illegible] Bond		[illegible]	[illegible]	50.36	+0.09	4.92
European		[illegible]	[illegible]	66.82	+0.07	1.48
Equity Income		[illegible]	[illegible]	68.39	-0.20	5.76
Portfolio	6	54.53	54.53	58.32	+0.25	2.17
Sun Life of Canada Unit Mgrs Ltd (1000)H						
Basingview, Basingstoke, Hants 0800 525725						
American [illegible]	6	24.74	[illegible]	[illegible]	+0.50	0.75
Managed [illegible]	6	97.20	[illegible]	[illegible]	+0.44	[illegible]
UK Income	6	29.18	[illegible]	[illegible]	+0.06	[illegible]
UK Growth	6	29.56	[illegible]	[illegible]	+0.11	[illegible]
Worldwide Growth	6	22.54	[illegible]	[illegible]	+0.28	[illegible]
Sun Life Trust Mngmt Ltd [illegible]						
101, Cannon St, London EC4N 5AD						
Admin & Enq: 071-606 4044 Dealing: 071-606 6010						
Master Portfolio	5¼	33.10	33.10	35.40	+0.07	1.79
Amer Growth Acc	5¼	40.67	[illegible]	43.42	+0.61	0.23
Cap Protector Acc	5¼	32.89	[illegible]	35.58	-1.09	4.64

	Bid Price	Offer Price	+ or -	Yield Gross
Funds in Court*				
Capital Nov 28	480.30	483.83	.....	2.92
Gross Nov 28	179.53	180.97	.....	10.79
High Yield Nov 28	279.39	281.42	.....	7.81
* Restricted to monies under Court control				
Henderson Unit Trust Management Ltd				
Pensions Mngd	50.11	51.21	-0.07	3.98
INVESCO MIM Management Ltd				
Exempt Funds				
Intl Mngd P'Folio	1128.0	1216.0	.....	-
Mngd Pens (Acc)	64.1	68.3	.....	-
Lazard Brothers & Co. Ltd				
Property Sept 5	£2440.0	2600.0	.....	6.00
Ins 6th Prp Apr 16	£1375.0	1460.0	.....	7.20
Lazard Investors Ltd ‡‡				
Exempt Funds				
Small Co's Nov 29	£3971.5	4143.4	.....	3.94
European Nov 29	£526.2	540	.....	2.10
American Nov 29	£331.7	335.5	.....	2.42
Japan Nov 29	£477.4	483.0	.....	1.35
Pacific Nov 29	£136.8	140.5	.....	1.97
W Midlands Sep 30	£147.60	164.90	.....	2.48
Local Authorities Mutual Invest. Tst.*				
2 Fore Street, London EC2Y 5AQ 071-588 [illegible]				
Property Oct 31	193.25	197.20	.....	[illegible]
Equity Oct 31	896.05	908.60	.....	[illegible]
* Available only to Local Authorities				
M & G Securities Ltd				
Charibond Dec 2	101.26xd		-0.2	10.65
(Accum Units)	997.36		-1.0	10.65
NAACIF Nov 26	40.67xd		.....	9.67
Morgan Grenfell Investment Funds Ltd				
Exempt Funds				
UK Equity † Dec 3	120.4	129.9	-0.5	2.09
UK Small Co † Dec 3	532.1	583.3	-6.5	3.43
Fixed Interest † Dec 3	108.3	114.0	.....	8.77
US Small Co Dec 3	152.7	163.3	+4.1	0.00
Managed Dec 3	104.9	112.5	-0.5	3.51
Intl Bond Dec 3	117.7	124.0	[illegible]	10.34
Japan Dec 3	70.34	75.18	[illegible]	0.39
European Dec 3	83.35	89.26	[illegible]	2.07
Nth American Dec 3	107.4	115.7	[illegible]	1.40
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Nov 27	48.90	50.88	.....	2.14
Euro Expt Nov 27	50.08	52.54	.....	2.39
Fixed Int Ex Nov 27	46.25	47.38	.....	10.16
Japan Expt Nov 27	44.35	46.12xd	.....	0.54
Managed Ex Nov 28	44.02	45.79	.....	4.38
SE Asia Expt Nov 27	73.02	76.66	.....	3.49
Sm Cos Expt Nov 27	36.09	37.09xd	.....	3.54
UK Eqty Ex Nov 27	43.52	45.49	.....	3.70

Phillips & Drew Fund Management Ltd

[illegible]chschild Asset Management

[illegible]rothschild Fund Managers Ltd

Stewart Ivory & Co Ltd

Thornton Unit Managers Ltd

INSURANCES

Allied Dunbar Assurance Plc

Century Life Plc

Eagle Star Life Assurance Co Ltd

Guardian Royal Exchange

Legal & General – Contd.

Manulife Group – Contd.

OTHER UK UNIT TRUSTS

Prices Life Series 4 Acc, Pension Series C Acc Dec 3

Continued on next page

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	103.5	108.9		-
Pension Managed Fd	100.7	106.0		-
Life Deposit Fd	111.0	116.8		-
Pension Deposit Fd	117.8	124.0		-

For National Fin see Target Life

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422
Harvester Pension Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	165.2	173.9		-
UK Equity	173.2	182.4		-
Overseas Equity	131.0	137.9		-
Fixed Interest	154.3	162.5		-
Property	132.9	139.9		-
Index Linked	152.1	160.2		-
Deposit	164.4	173.1		-
With Profits (B)	134.5	141.6		-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	342.0	360.0	+1.3	-
UK Equity	425.0	447.4	+0.6	-
Overseas Eq	328.8	346.2	+3.0	-
American	279.5	294.3	+4.7	-
Far East	351.1	369.6	+4.0	-
Property	194.3	204.6		-
Fixed Int	271.4	285.7		-
Indexed Gilt	160.8	169.3	-0.3	-
Deposit	188.2	198.2		-
With Profit	105.3	110.9	+0.1	-
Pension Fund (Accum Units)				
Managed	493.5	519.5	+1.9	-
UK Equity	577.2	607.6	+1.1	-
Overseas Eq	554.3	583.5	+5.1	-
Americas	351.0	369.5	+6.6	-
Far East	574.6	604.9	+6.4	-
Property	248.1	261.2		-
Fixed Int	337.5	355.3	-0.2	-
Indexed Gilt	175.4	184.7	-0.4	-
Deposit	267.1	281.2	+0.1	-
NPI Pensions Management Ltd				
Managed Fund	1071.5	1090.6		-

Prices December 2 Next dealing January 2

Norwich Union Asset Management Ltd
PO Box 140, Norwich NR3 1PP 0603 622200
NUAM Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	69.9	73.6	+0.3	-
Stock Market Mngd Fund	68.8	72.4	+0.3	-
Equity Fund	77.0	81.1	+0.3	-
International Fund	60.1	63.3	+0.6	-
European Fund	60.3	63.4	-0.1	-
North American Fund	67.2	70.7	+0.9	-
Pacific Fund	66.5	70.0	+0.5	-
Property Fund	77.3	81.4		-
Fixed Interest Fund	61.2	64.4		-
Index Linked Sec Fund	63.0	66.3	-0.2	-
Deposit Fund	72.2	76.1	+0.1	-
NUAM Retirement Plans				
Mixed Fund	77.5	81.6	+0.3	-
UK Ordinary Share Fd	89.5	94.2	+0.3	-
International Fund	64.4	67.8	+0.6	-
Property Fund	83.8	88.2		-
Fixed Interest Fund	75.3	79.3		-
Index Linked Sec Fund	67.2	70.8	-0.2	-
Deposit Fund	86.6	91.2	+0.1	-
NUAM (MF)				
Managed Fund	985.4	1037.3	+3.7	-
Equity Fund	2102.9	2213.6	+6.1	-
International Fund	159.1	167.5	+1.5	-
Property Fund	491.3	517.2		-
Fixed Interest Fund	459.6	483.8	-0.4	-
Index Linked Sec Fund	64.3	67.7	-0.1	-
Deposit Fund	297.8	313.5	+0.1	-

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NG 0603 622200
Unitised Life

	Bid Price	Offer Price	+ or -	Yield Gross
With Profits Fd	117.64	123.83	+0.03	-
Managed Fd	96.69	101.78	+0.28	-
UK Ord Share Fd	101.26	106.59	+0.15	-
International Fd	87.90	92.52	+0.78	-
European Fd	82.78	87.14	-0.08	-
North American Fd	94.59	99.56	+1.22	-
Pacific Fd	79.19	83.35	+0.68	-
Property Fd	90.96	95.74	-0.08	-
Fixed Int Fd	108.38	114.08	-0.01	-
Int'l Bond Fd	110.52	116.34	+0.45	-
Deposit Fd	116.80	122.95	+0.03	-
Unitised Pensions				
With Profits Fd	159.88	168.29	+0.09	-
Managed Fd	156.06	164.27	+0.60	-
UK Equity Fd	165.47	174.17	+0.51	-
International Fd	152.80	160.84	+1.37	-
European Fd	134.19	141.25	-0.13	-
North American Fd	158.43	166.77	+2.05	-
Pacific Fd	117.30	123.47	+1.02	-
Property Fd	152.38	160.40	+0.03	-
Fixed Int Fd	133.39	140.41	+0.03	-
Intl Bond Fd	140.27	147.65	+0.43	-
Bldg Soc Dep Fd	150.95	158.89	+0.04	-
Pensionvestor* & Unit-Linked Plan*				
Mixed Fund	420.6	442.7	-7.6	-
Ordinary Share Fund	625.8	658.7	-17.8	-
International Fund	165.3	174.0	-0.9	-
Property Fund	257.8	271.4	-0.6	-
Fixed Interest Fund	376.5	396.3	-3.3	-
Index-Linked Sec Fund	190.6	200.6	-1.8	-
Deposit Fund	270.2	284.4	+0.6	-
Norwich Units Nov 15		1069.77		-

*Prices as at November 29

Jersey Investment Plan
With Profits Fund [illegible]

Providence Capital Life Asse. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	214.4	226.2	(z)	-
UK Fixed Int Acc	188.9	199.3	(z)	-
Intl Equities Acc	162.1	171.0	(z)	-
UK Managed Acc	167.9	177.1	(z)	-
Property Acc	224.5	236.9	(z)	-
Money Acc	134.0	141.4	(z)	-
Special Market Acc	143.7	151.6	(z)	-
Japan Equity Acc	93.0	98.2	(z)	-
North American Acc	96.5	101.8	(z)	-
Pacific Acc	90.6	95.6	(z)	-
Technology Acc	115.5	121.9	(z)	-
Nat Resources Acc	57.6	60.8	(z)	-
European Acc	94.9	100.2	(z)	-
Residential Prop Acc	90.6	95.6	(z)	-
Swiss Equities Acc	31.4	33.2	(z)	-
Hong Kong Acc	66.6	70.3	(z)	-
UK High Inc Eq Acc	69.3	73.2	(z)	-
Int Fixed Interest Acc	60.5	63.9	(z)	-
Int Managed Acc	53.9	56.8	(z)	-
HIP Managed Acc	114.2	120.4	(z)	-
HIP Managed II Acc	98.7	104.1	(z)	-
HIP Managed III Acc	105.9	111.7	(z)	-
Total Investment Bond				
UK Equity Initial		145.4	(z)	-
UK Fixed Int Initial		128.3	(z)	-
Intl Equities Initial		109.3	(z)	-
UK Managed Initial		114.0	(z)	-
Property Initial		153.9	(z)	-
Money Initial		91.4	(z)	-
Special Market Initial		111.2	(z)	-
Japan Equity Initial		72.0	(z)	-
North American Initial		74.7	(z)	-
Pacific Initial		70.1	(z)	-
Technology Initial		89.4	(z)	-
Nat Resources Initial		44.6	(z)	-
European Initial		84.9	(z)	-
Residential Prop Init		86.2	(z)	-
Swiss Equities Initial		30.0	(z)	-
Hong Kong Initial		63.5	(z)	-
UK High Inc Eq Init		66.0	(z)	-
Int Fixed Interest Init		58.4	(z)	-
Int Managed Init		52.2	(z)	-
HIP Managed Init		110.6	(z)	-
HIP Managed II Initial		96.9	(z)	-
HIP Managed III Init		105.1	(z)	-
Broker Funds				
High Performance	72.6	76.5	(z)	-
Towerhill Mngd Fd Acc	42.2	44.5	(z)	-

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)

[illegible]

FT MANAGED FUNDS SERVICE

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain [illegible] Unit Trust Code Booklet ring (071) 925-2128.

Baring International Fd Mngrs (Ireland) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Australia	$16.56	17.59	[illegible]	1.05
Japan Tech.	$56.39	59.21	+0.	–
Japan Fund	$24.06	25.27	[illegible]	0.17
Japan New Govtn Fd	$18.08	18.99	[illegible]	–
Malay Sing	$53.58	56.26	[illegible]	0.31
Nth American	$21.94	23.04	[illegible]	0.58
Octopus Fund	$21.43	22.51	[illegible]	0.88
Pacific Fd	$61.28	64.35	[illegible]	–
International Bond	$17.02	17.87	-0.	6.89
Europa Fund	$13.01	[illegible]	-0.	–
British Screen Fd	£0.88	[illegible]	.02	–
Tristar Warrant	$10.82	[illegible]	.01	–
Hong Kong	$50.67	53.21	+0.31	[illegible]
Mngd Portfolio (Stlg)	£3.99	4.30	-0.05	–
Mngd Portfolio (Dllr)	$10.04	10.60	+0.01	–
Currency [illegible] Stlg	£19.73		+0.01	–
Currency [illegible] Dollar	$15.47		......	–
Curr Fd–Deutschemark	DM40.93			–
Curr Fd–Managed S	$45.79	48.01	+0.17	–

Federated International Funds

Federated Short-term US Gov't Securities Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Institutional Serv Series*	$1.00		......	4.63
Investment Series*	$1.00		......	4.54

ISLE OF MAN (SIB RECOGNISED)

Allied Dunbar Intl Fund Mgrs (1600)F

Lord Street, Douglas, IoM 0624 661551

TSB Trust Funds – Contd.

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
UK Equity	5	140.62	140.62	152.50	-0.67	0.90
International Equity	5	111.90	111.90	119.09	+1.58	0.00
Far Eastern	5	87.07	87.07	93.29	+1.42	0.00
European	5	78.79	78.79	83.35	-0.18	0.00
Pan American	5	148.36	148.36	157.28	+2.23	0.00
TSB Gilt Fund Ltd						
Quarterly Share	3	97.12	97.12	100.37	-0.15	10.26
Monthly Share	3	95.00	95.00	98.16	-1.04	10.49

JERSEY (REGULATED)(**)

Barclays Intl Funds

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

Abtrust Fund Mngrs Luxembourg

13 rue Goethe L-1637 Luxembourg

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Markets wait for Bundesbank

THE DOLLAR ended slightly higher yesterday after spending much of the [illegible] trapped in [illegible] narrow band awaiting the Bundesbank council meeting tomorrow and the US November employment *figures on Friday*.

The [illegible] currency [illegible] supported by the [illegible] US [illegible] nomic reports and growing talk in Frankfurt that German [illegible] will [illegible] *this* week.

American leading [illegible] rose by [illegible] cent in October, while new single home [illegible] *for* [illegible] *month* [illegible] by [illegible] per cent. Both numbers [illegible] to most analysts' forecasts and provided [illegible] opportunity for [illegible] dollar [illegible] *improve* [illegible] *DM1.6170.* [illegible] it [illegible] unable [illegible] hold [illegible] the [illegible] Mr Michael Boskin, [illegible] White [illegible] economist, [illegible] "[illegible] has turned *out a bit* [illegible] *sluggish*" [illegible] [illegible]ted.

The Bundesbank council meeting [illegible] also keeping the foreign exchanges in [illegible] *as dealers tried* [illegible] inflationary pressures [illegible] European diplomacy would exert [illegible] greater influence [illegible] council members tomorrow.

According [illegible] report by [illegible] Smick, the Washington consultants, the Bundesbank [illegible] council meeting [illegible] the Lombard rate by [illegible] point to [illegible] per cent. [illegible] *move will* [illegible] *come* [illegible] but [illegible] likely [illegible] year-end.

[illegible] with a growing [illegible] in the Frankfurt [illegible] *that the* Bundesbank will [illegible] until after [illegible] Maastricht summit before tightening policy. [illegible] in London many traders thought [illegible] *Bundesbank* will wish [illegible] assert its independence *from* [illegible] Bonn government, and show it [illegible] taking the threat [illegible] inflation seriously by raising *rates* [illegible].

The [illegible] Friday [illegible] November US employment report is [illegible] subject [illegible] much speculation. Non-farm payroll *employment* [illegible] ted [illegible] have fallen 22,000, against [illegible] of 1,000.

There is growing talk that a *large fall in employment could* trigger monetary [illegible] by the Federal Reserve, perhaps as soon as the end of next week *after the November inflation* figures are released.

In spite of all the speculation, trading was quiet with little currency movement. The dollar opened [illegible] DM1.6125 and closed [illegible] DM1.6135, up [illegible] DM1.6090. It eased to Y129.45 from Y129.95. In New York the dollar dipped to DM1.6080.

The yen was firmer as Japa[illegible] monetary and government officials queued up to say they wanted the currency higher. The Tokyo markets duely responded, although European traders were [illegible] bullish, citing the prospect of slower growth and lower interest rates. The D-Mark slipped to Y80.20 from Y80.75.

Sterling, slightly [illegible] overall, held at DM2.8575 but was down from DM2.87 at the start of the week. It slipped to $1.7715 from $1.7765, but in New York rose to $1.7755.

[illegible] IN NEW YORK

Dec 3	Close	Previous Close
£ Spot	1.7750-1.7760	1.7725-1.7735
1 month	0.85-0.83pm	0.88-0.87pm
3 months	2.50-2.47pm	2.52-2.49pm
12 months	9.30-9.20pm	9.29-9.22pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Dec 3	Previous
8.30	am	90.5	90.6
9.00	am	90.5	90.6
10.00	am	90.5	90.6
11.00	am	90.4	90.6
Noon		90.4	90.6
1.00	pm	90.4	90.6
2.00	pm	90.5	90.5
3.00	pm	90.5	90.5
4.00	pm	90.5	90.6

CURRENCY MOVEMENTS

Dec 3	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.5	-21.3
U.S Dollar	63.1	-15.9
Canadian Dollar	105.4	+2.9
Austrian Schilling	109.9	+12.2
Belgian Franc	111.8	-1.6
Danish Krone	109.0	+3.2
D-Mark	119.1	+25.3
Swiss Franc	109.4	+17.9
Dutch Guilder	114.8	+16.5
French Franc	103.2	-13.0
Lira	98.8	-19.9
Yen	140.8	+75.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Nov 27

CURRENCY RATES

Dec 3	Bank ‡ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.781181	0.712785
U.S Dollar	5.00	1.38855	1.26348
Canadian $	8.17	1.57378	1.43165
Austrian Sch	7.50	15.7212	14.3317
Belgian Franc	8.00	45.9888	41.9792
Danish Krone	9.50	8.67983	7.92519
D-Mark	7.50	2.23307	2.03736
Dutch Guilder	8.00	2.51877	2.29638
French Franc	10¼	7.63217	6.96242
Italian Lira	11½	1686.39	1538.42
Japanese Yen	5.00	180.303	163.646
Norway Krone	8	8.78772	8.02501
Spanish Peseta	-	142.329	130.[illegible]
Swedish Krona	10.00	8.17370	[illegible]
Swiss Franc	7.00	1.97730	[illegible]
Greek Drach	19	N/A	[illegible]
Irish Punt	-	N/A	[illegible]

‡ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland.
† European Commission Calculations.
* All SDR rates are for Dec.2

OTHER CURRENCIES

Dec 3	£	$
Argentina	17550.7 - 17578.3	9900.00 - 9910.00
Australia	2.2565 - 2.2585	1.2730 - 1.2740
Brazil	1507.60 - 1508.70	850.400 - 850.950
Finland	7.7380 - 7.7510	4.3690 - 4.3720
Greece	323.450 - 328.650	182.440 - 185.360
Hong Kong	13.7565 - 13.7695	7.7635 - 7.7655
Iran	116.50*	66.00*
Korea(Sth)	1327.25 - 1348.65	749.90 - 758.90
Kuwait	0.50685 - 0.50750	0.28595 - 0.28625
Luxembourg	58.75 - 58.85	33.15 - 33.25
Malaysia	4.8665 - 4.8750	2.7500 - 2.7520
Mexico	5389.30 - 5395.90	3040.00 - 3042.00
N Zealand	3.1515 - 3.1550	1.7780 - 1.7800
Saudi Ar	6.6085 - 6.6855	3.7495 - 3.7505
Singapore	2.9400 - 2.9470	1.6615 - 1.6635
S.Af (Cm)	4.9425 - 4.9540	2.7905 - 2.7925
S.Af (Fn)	5.3875 - 5.4710	3.0395 - 3.0865
Taiwan	45.65 - 45.75	25.70 - 25.80
U.A.E.	6.4710 - 6.5480	3.6715 - 3.6735

*Official rate. Floating rate £-2525.0 $-1420.0

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Dec 3	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	130.045	-2.68	5.38	46
Belgian Franc	42.4032	41.9792	-1.00	3.31	43
D-Mark	2.05586	2.03736	-0.90	3.21	30
Dutch Guilder	2.31643	2.29638	-0.87	3.17	37
Irish Punt	0.767417	0.764588	-0.37	2.66	12
Italian Lira	1538.24	1538.42	0.01	2.27	-6
French Franc	6.89509	6.96242	0.98	1.29	-60
Danish Krone	7.84195	7.92519	1.06	1.20	-53
Sterling	0.696904	0.712785	2.28	0.00	-45

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Dec 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7710 - 1.7740	1.7710 - 1.7720	0.84-0.82cpm	5.62	2.50-2.47pm	5.61
Canada	2.0070 - 2.0120	2.0090 - 2.0100	0.55-0.50cpm	3.14	1.61-1.53pm	3.13
Netherlands	3.2150 - 3.2275	3.2175 - 3.2275	⅜-¼cpm	1.16	⅜-⅝pm	0.93
Belgium	58.75 - 59.05	58.75 - 58.85	8-3cpm	1.12	19-14pm	1.12
Denmark	11.1000 - 11.1375	11.1075 - 11.1175	1⅞-1orepm	1.35	3⅜-2⅝pm	1.03
Ireland	1.0710 - 1.0750	1.0720 - 1.0730	0.05-parpm	0.28	0.10-parpm	0.19
Germany	2.8550 - 2.8625	2.8550 - 2.8600	⅜-¼pfpm	1.05	⅜-¼pm	0.96
Portugal	252.75 - 254.50	253.10 - 254.10	10-65cdis	-1.77	67-141dis	-1.64
Spain	181.95 - 182.80	182.30 - 182.60	28-35cdis	-2.07	85-95dis	-1.95
Italy	2152.00 - 2159.00	2155.75 - 2156.75	6-8liredis	-3.90	13-15dis	-2.60
Norway	11.2350 - 11.2750	11.2475 - 11.2575	⅜-⅛orepm	0.47	1⅛-⅜pm	0.27
France	9.7575 - 9.7850	9.7600 - 9.7700	⅝-⅛cpm	0.69	1⅝-1⅛pm	0.64
Sweden	10.4525 - 10.4900	10.4650 - 10.4750	1⅜-1⅝oredis	-1.65	3⅜-3⅝dis	-1.38
Japan	228.75 - 229.75	228.75 - 229.75	1-⅞ypm	4.58	2⅝-2⅜pm	4.58
Austria	20.08 - 20.15	20.08 - 20.11	2⅜-1⅝gropm	1.19	6⅜-3⅝pm	1.05
Switzerland	2.5225 - 2.5350	2.5225 - 2.5325	⅝-⅜cpm	2.37	1⅝-1⅜pm	2.37
Ecu	1.4005 - 1.4070	1.4045 - 1.4055	0.03dis-0.03cpm	-	0.10dis-0.01pm	-0.13

Commercial rates taken towards the end of London trading. Six-month forward dollar 4.95-4.90cpm . 12 Month 9.32-9.22cpm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Dec 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7710 - 1.7740	1.7710 - [illegible]	0.84-0.82cpm	5.62	2.50-2.47pm	5.61
Ireland†	1.6485 - 1.6535	1.6520 - [illegible]	0.74-0.69cpm	5.19	2.27-2.17pm	5.37
Canada	1.1320 - 1.1345	1.1335 - [illegible]	0.20-0.23cdis	-2.28	0.68-0.73dis	-2.49
Netherlands	1.8125 - 1.8225	1.8190 - [illegible]	0.70-0.73cdis	-4.72	2.14-2.18dis	-4.75
Belgium	33.15 - 33.30	33.15 - [illegible]	11.00-14.00cdis	-4.52	36.00-40.00dis	-4.58
Denmark	6.2625 - 6.2875	6.2700 - [illegible]	2.25-2.55oredis	-4.59	7.00-7.60dis	-4.66
Germany	1.6090 - 1.6170	1.6130 - [illegible]	0.63-0.64pfdis	-4.72	1.89-1.91dis	-4.71
Portugal	143.05 - 143.50	143.05 - [illegible]	84-91cdis	-7.34	255-270dis	-7.34
Spain	102.80 - 103.50	102.95 - [illegible]	69-73cdis	-8.27	195-203dis	-7.73
Italy	1215.00 - 1220.00	1217.00 - [illegible]	8.10-8.60liredis	-8.23	21.70-22.70dis	-7.30
Norway	6.3450 - 6.3675	6.3500 - [illegible]	2.60-2.90oredis	-6.19	8.15-8.65dis	-6.29
France	5.4975 - 5.5250	5.5100 - [illegible]	2.28-2.33cdis	-5.02	6.85-6.95dis	-5.01
Sweden	5.8950 - 5.9225	5.9075 - [illegible]	3.70-3.95oredis	-7.77	9.80-10.25dis	-6.79
Japan	129.10 - 129.55	129.40 - [illegible]	0.11-0.12ydis	-1.07	0.36-0.37dis	-1.13
Austria	11.3480 - 11.3775	11.3525 - [illegible]	4.35-4.85grodis	-4.86	12.30-13.60dis	-4.56
Switzerland	1.4240 - 1.4305	1.4270 - [illegible]	0.38-0.41cdis	-3.32	1.16-1.20dis	-3.31
Ecu†	1.2590 - 1.2635	1.2620 - [illegible]	0.61-0.58cpm	5.66	1.76-1.70pm	5.48

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Dec 3	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10⅝ - 10½	10⅝ - 10½	10⅝ - 10½	10½ - 10⅜	10⅜ - 10¼	10⅜ - 10¼
US Dollar	5 - 4⅞	4⅞ - 4¾	5⅛ - 5	5 - 4⅞	4⅞ - 4¾	5 - 4⅞
Can. Dollar	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½	7⅝ - 7½
Dutch Guilder	9⅛ - 9	9⅛ - 9	9⅜ - 9¼	9½ - 9⅜	9⅜ - 9¼	9⅜ - 9¼
Swiss Franc	7⅝ - 7½	7⅝ - 7½	8⅛ - 8	8⅛ - 8	8⅛ - 8	8 - 7⅞
D-Mark	9⅛ - 9	9⅛ - 9	9⅜ - 9¼	9½ - 9⅜	9⅜ - 9¼	9⅜ - 9¼
French Franc	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½
Italian Lira	12 - 10	12⅛ - 12⅛	12⅝ - 12⅛	12⅛ - 12	12⅛ - 11⅝	12⅛ - 11⅝
Belgian Franc	9⅜ - 9⅛	9⅜ - 9⅛	9⅜ - 9⅛	9⅜ - 9⅛	9⅜ - 9⅛	9⅜ - 9⅛
Yen	6⅝ - 6½	6⅝ - 6½	6⅝ - 6½	6⅜ - 6¼	5⅝ - 5½	5⅝ - 5½
Danish Krone	9⅝ - 8⅞	9⅛ - 9	9⅝ - 9⅜	9⅝ - 9⅜	9⅝ - 9⅜	9⅝ - 9⅜
Asian $Sing.	3⅝ - 3½	3⅝ - 3½	3⅝ - 3½	3⅞ - 3¾	4 - 3⅞	4⅛ - 4

Long term Eurodollars: two years 5⅝-5½ per cent; three years 6⅛-6 per cent; four years 6⅝-6½ per cent; five years 7⅛-6⅞ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

	£	$	DM	Yen	F Fr.	S Fr.	[illegible]	Lira	C$	B Fr.	[illegible]
£	1	1.771	[illegible]	[illegible]	[illegible]	2.527	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
$	[illegible]	1	1.613	[illegible]	[illegible]	[illegible]	[illegible]	1217	1.134	[illegible]	[illegible]
DM	[illegible]	0.620	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
YEN	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F Fr.	[illegible]	1.814	[illegible]	[illegible]	10.	[illegible]	[illegible]	[illegible]	[illegible]	60.22	[illegible]
S Fr.	[illegible]	0.701	1.131	[illegible]	[illegible]	1	1.275	[illegible]	[illegible]	[illegible]	[illegible]
H Fl.	[illegible]	[illegible]	[illegible]	71.14	[illegible]	[illegible]	1	669.1	0.624	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.172	[illegible]	[illegible]	0.932	[illegible]	[illegible]
C$	[illegible]	[illegible]	[illegible]	114.1	[illegible]	[illegible]	1.604	[illegible]	1	[illegible]	[illegible]
B Fr.	1.701	3.012	[illegible]	389.8	16.61	[illegible]	[illegible]	3667	3.417	[illegible]	2.389
[illegible]	[illegible]	[illegible]	[illegible]	163.1	[illegible]	[illegible]	[illegible]	1535	[illegible]	[illegible]	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Mar	Jun	Puts-settlements Mar	Jun
91	3-43	4-07	0-17	0-39
92	[illegible]	[illegible]	0-27	0-55
[illegible]	2-06	2-44	0-44	1-12
[illegible]	1-29	2-07	1-03	1-39
[illegible]	0-63	[illegible]	1-37	2-08
[illegible]	0-41	[illegible]	2-15	2-47
[illegible]	0-26	0-59	3-00	3-27
[illegible]	0-17	0-43	3-55	4-11

Estimated volume total, Calls 775 Puts 1103
Previous day's open int. Calls 12024 Puts 10604

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Mar	Jun	Puts-settlements Mar	Jun
96	3-45	3-16	0-35	1-10
97	[illegible]	[illegible]	[illegible]	1-31
98	2-19	2-06	[illegible]	2-00
99	1-47	1-41	[illegible]	2-35
100	1-17	1-16	2-07	3-10
101	0-59	0-60	2-49	3-54
102	0-41	0-44	3-31	4-38
103	0-28	0-32	4-18	5-26

Estimated volume total, [illegible] 50 [illegible] 50
Previous day's open int. Calls 646 Puts 535

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Mar	Jun	Puts-settlements Mar	Jun
8450	1.91	2.34	0.14	[illegible]
[illegible]	1.49	1.95	0.22	[illegible]
[illegible]	1.12	1.60	0.35	0.53
8600	0.81	1.29	0.54	0.72
8650	0.56	1.02	0.79	0.95
8700	0.37	0.79	1.10	1.22
8750	0.24	0.59	1.47	1.52
8800	0.15	0.44	1.88	1.87

Estimated volume total, Calls 4300 Puts [illegible]
Previous day's open int. Calls 74811 Puts 28531

LIFFE EUROMARK OPTIONS
DM1m points of [illegible]

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	MAR
[illegible]	0.87	1.19	0	0
[illegible]	0.62	[illegible]	0	0.01
9000	0.38	0.71	0.01	0.02
9025	0.15	0.48	0.03	0.04
9050	0.01	0.28	0.14	0.09
9075	0	0.13	0.38	0.19
9100	0	0.05	0.63	0.36
9125	0	0.03	0.88	0.59

Estimated volume total, Calls 2046 Puts 2469
Previous day's open int. Calls 40879 Puts 28580

LIFFE ITALIAN GOVT. BOND [illegible] OPTIONS
Lire 200m [illegible] 100%

Strike Price	Calls-settlements Mar	Jun	Puts-settlements Mar	Jun
[illegible]	1.83	[illegible]	[illegible]	[illegible]
[illegible]	1.45	[illegible]	[illegible]	[illegible]
9600	1.12	1.53	0.53	0.82
9650	0.83	1.25	0.74	1.04
9700	0.60	1.01	1.01	1.30
9750	0.43	0.80	1.34	1.59
[illegible]	0.28	0.62	1.69	1.91
[illegible]	0.18	[illegible]	2.09	2.27

Estimated volume total, Calls 261 Puts 185
Previous day's open int. Calls 2032 Puts 940

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	MAR
8850	0.76	[illegible]	0	[illegible]
8875	0.52	[illegible]	0.01	[illegible]
8900	0.28	0.72	0.02	[illegible]
8925	0.09	0.52	0.08	[illegible]
8950	0.03	0.35	0.27	0.19
8975	0.01	0.22	0.50	0.31
9000	0	0.13	0.74	0.47
9025	[illegible]	[illegible]	0.99	0.66

Estimated volume total, Calls 4240 Puts 3769
Previous day's open int. Calls 80561 Puts 62410

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT *
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	[illegible]	[illegible]	95-30	95-25
Mar	95-13	95-16	[illegible]	95-31

Estimated volume 23960 (24636)
Previous day's open int. 51217 (51486)

[illegible] GOVT. BOND [illegible]
[illegible] 100ths of 100%

	Close	High	Low	Prev.
Dec	100-02	100-05	99-30	[illegible]
Mar	99-05	[illegible]		

Estimated volume 1954 (2757)
Previous day's open int. 28[illegible] (28425)

[illegible] GOVT. BOND *
DM250,000 [illegible]

	Close	High	Low	Prev.
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Mar	85.27	86.30	85.96	[illegible]

Estimated volume 65213 [illegible]
Previous day's open int. [illegible] (182713)

6% NOTIONAL LONG TERM [illegible] GOVT. BOND
Y100m 100ths of 100%

	Close	High	Low
Dec	[illegible]		
Mar	100.35	[illegible]	[illegible]

Estimated volume 363 (566)
Traded exclusively on APT

9% NOTIONAL ECU BOND
ECU 200,000 100ths of 100%

	Close	High	Low	Prev.
Dec	[illegible]			99.51
Mar				

Estimated volume 0 [illegible]
Previous day's open [illegible] 270 (270)

[illegible] NOTIONAL ITALIAN GOVT. BOND (BTP) *
[illegible] 100ths of 100%

	Close	High	Low	Prev.
Dec	[illegible]	96.42	96.30	[illegible]
Mar	96.59	96.59	96.41	96.51

Estimated volume [illegible]
Previous day's open int. [illegible] (16483)

THREE MONTH STERLING *
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	89.26	89.30	89.24	89.20
Mar	89.66	[illegible]	89.64	[illegible]
Jun	89.79	[illegible]	89.78	[illegible]
Sep	[illegible]	[illegible]	89.90	89.93
Dec	89.96	89.99	89.91	89.94
Mar	89.94	89.95	89.8[illegible]	89.89

Est. Vol. (inc. figs. not shown) 33402 (38533)
Previous day's open int. 163498 (164947)

THREE MONTH EURODOLLAR *
[illegible] points of 100%

	Close	High	Low	Prev.
Dec	95.09	95.09	95.06	95.10
Mar	95.31	95.33	95.29	95.33
Jun	95.19	[illegible]	[illegible]	95.22
Sep	[illegible]	94.98	94.97	94.97

Est. Vol. (inc. figs. not shown) 3718 (3372)
Previous day's open int. 44654 (44837)

THREE MONTH EUROMARK *
DM 1m points of 100%

	Close	High	Low	Prev.
Dec	90.37	90.42	90.36	90.41
Mar	90.69	90.70	90.66	90.68
Jun	90.98	90.99	90.96	90.9[illegible]
Sep	91.22	91.24	91.21	91.23
Dec	91.33	91.33	91.32	91.32
Mar	91.49	91.49	91.48	[illegible]

Estimated volume 27305 [illegible]
Previous day's open int. [illegible] (178164)

THREE MONTH ECU
ECU [illegible] points of 100%

	Close	High	Low	Prev.
Dec	89.55	89.56	89.50	89.56
Mar	89.99	89.98	89.90	90.00
Jun	90.30	90.32	90.28	90.28
Sep	90.53	90.52	90.48	90.48

Estimated volume 774 (773)
Previous day's open int. 6642 (6782)

THREE MONTH EURO SWISS FRANC
SFr 1m points of 100%

	Close	High	Low	Prev.
Dec	[illegible]	91.74	91.70	91.77
Mar	[illegible]	92.11	92.05	92.12
Jun	92.39	92.41	92.35	[illegible]
Sep	92.56	92.57	92.51	[illegible]

Estimated volume 3518 (1880)
Previous day's open int. 25254 (25543)

FT-SE 100 INDEX *
£25 per full index point

	Close	High	Low	Prev.
Dec	2434.0	2453.0	2412.0	2427.0
Mar	2467.5	2488.0	2453.0	2462.0
Jun	2495.5			2492.0

Estimated volume [illegible] (11805)
Previous day's open int. [illegible]

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev.
Dec	1862.0			1856.0
Mar				

Estimated volume 0 [illegible]
Previous day's open int. 385 (385)

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth	3-mth	6-mth	12-mth.
1.7715	[illegible]	[illegible]	1.7223	1.6788

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	100-12	[illegible]	99-29	100-03
Mar	99-14	[illegible]	98-31	99-05
Jun	[illegible]	[illegible]	97-31	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	93-27	-	-	[illegible]
[illegible]	93-02	-	-	[illegible]
[illegible]	[illegible]	-	-	91-30

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Close	High	Low	Prev.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	95.91	[illegible]	[illegible]	[illegible]
[illegible]	95.82	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRITISH POUND (IMM)
$ per £

	Close	High	Low	Prev.
Dec	1.7696	1.7710	1.7660	1.7706
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] FRANC (IMM)
[illegible] $ per SFr

	Close	High	Low	Prev.
Dec	0.7089	[illegible]	[illegible]	[illegible]
Mar	0.6953	[illegible]	0.6929	0.6942
Jun	0.6900	[illegible]	[illegible]	[illegible]

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Close	High	Low	Prev.
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	0.7688	[illegible]	[illegible]
[illegible]	0.7675	-	-	[illegible]

DEUTSCHE MARK (IMM)
[illegible] $ per DM

	Close	High	Low	Prev.
Dec	0.6195	[illegible]	0.6173	0.6187
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM)
$1m points of [illegible]

	Close	High	Low	Prev.
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]

STANDARD & POORS 500 INDEX
$500 times index

	Close	High	Low	Prev.
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Dec	Jan	Feb	Mar	Puts Dec	Jan	Feb	Mar
1.675	[illegible]	[illegible]	[illegible]	[illegible]	0.01	[illegible]	1.01	1.66
1.700	7.00	7.14	[illegible]	7.90	0.03	0.62	1.63	2.39
1.725	4.60	[illegible]	[illegible]	5.78	0.15	[illegible]	[illegible]	3.32
[illegible]	2.95	[illegible]	3.94	4.31	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1.08	[illegible]	2.80	3.16	1.72	3.36	4.95	5.99
1.800	0.35	1.22	1.99	[illegible]	3.46	5.02	6.61	[illegible]
1.825	0.05	0.65	1.24	[illegible]	5.66	6.96	8.42	[illegible]

Previous day's open int: Calls 348,212 Puts 430,771 (All currencies)
Previous day's volume: Calls 14,395 Puts 21,566 (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
December	105.50	105.90	+0.36	105.92	105.34	9.13	87,705
March	105.60	106.06	+0.36	106.06	105.48	9.11	43,260
June	106.20	106.60	+0.38	106.62	106.20	9.03	7,012

Estimated volume 157,035 Total Open Interest 138,277

6 to 10 YEAR 10% ITALIAN LONG TERM CONTRACT (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open int.
December	-	86.08	-	-	-	-	5,360
March	-	86.18	-	-	-	-	100

Estimated volume 0 Total Open Interest 5,460

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

December	90.17	90.15	-0.04	90.17	90.11	9.81	17,324
March	90.49	90.47	-0.03	90.49	90.44	9.50	30,488

Estimated volume 19,225 Total Open Interest 57,131

CAC-40 FUTURES (MATIF) Stock Index

December	1731.0	1737.0	+18.0	1738.0	1715.0	-	14,184
January	1744.5	1750.5	+18.0	1746.0	1735.0	-	2,314
February	-	1764.5	-	-	-	-	-
March	1772.0	1778.0	+18.0	1772.0	1759.0	-	1,576

Estimated volume 10,145 Total Open Interest 18,044

ECU BOND (MATIF)

December	105.20	105.64	+0.38	105.64	105.20	9.17	4,592
March	105.40	105.72	+0.36	105.72	105.32	9.16	1,021

Estimated volume 3,878 Total Open Interest 5,613

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls March	June	September	Puts March	June	September
105	1.58	-	-	0.36	0.76	-
106	1.09	1.46	-	0.83	-	-
107	0.59	1.16	-	1.54	-	-
108	0.30	0.78	-	-	-	-
Open Int.	120,607	9,859	N/A	84,488	10,629	N/A

Estimated volume 31,169 Total Open Interest 225,523

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc.	14	Roxburghe Bank Ltd.	11.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs.	11	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Beneficial Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julius Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

German rates lead

EUROPEAN money market *rates remained firm yesterday* [illegible] the Bundesbank council meeting tomorrow amid persistent speculation [illegible] it will [illegible].

In [illegible] *markets*, the upward pressure on rates [illegible] little [illegible] overnight money rates retreated slightly after the Bundesbank injected *funds into the banking system.*

[illegible] with the market rife with talk about the [illegible] bank lifting [illegible] rates, call money [illegible] per cent *remained just below* [illegible] Lombard [illegible] funding [illegible].

[illegible] talk [illegible] drive the [illegible] market lower. In London, the December Euromark [illegible] declined 3 points to [illegible].

In the Frankfurt markets, [illegible] was [illegible] talk [illegible] in London [illegible] this [illegible] in [illegible] but [illegible] dealers [illegible] willing [illegible] rule [illegible] out.

[illegible] widely believed that that rising inflationary pressures will force the [illegible] lift [illegible] this year. [illegible] German [illegible] the Bundesbank will wish to stay out [illegible] *limelight, just* [illegible] *political* [illegible] monetary union [illegible] being discussed at [illegible].

A rise in German [illegible] would heighten tension inside [illegible] ERM [illegible] *some analysts* believe [illegible] could [illegible] Germany's negotiating [illegible] at [illegible] summit.

On the other hand, there is a *growing school of thought that* relations with Bonn are strained and the Bundesbank will wish to assert its influence at a time when inflation is yet *to be controlled.*

In Brussels bill yields rose after a higher than expected yield at the Belgian National Bank's three months Treasury bill auction. Mr [illegible] Griggs, money market economist at Barclays Bank, [illegible] rise in Belgian [illegible] reflected the heightened speculation about [illegible] rates. Belgian [illegible] move in tandem with German [illegible].

Sterling cash rates were firm with three months inter-bank money unchanged [illegible] 10¾-⅝ [illegible] cent as sterling [illegible].

Overnight *money* [illegible] 7 [illegible] for much [illegible] morning [illegible] Bank [illegible] England [illegible] unprec[illegible] step [illegible] meeting [illegible] of the market's liquidity [illegible] before lunch.

The [illegible] supplied £560m [illegible] assistance, which compared with [illegible] revised shortage [illegible] £600m.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Dec.3) [illegible]		6 months US Dollars	
bid [illegible]	offer 5	bid 4⅞	offer 4⅞

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK Treasury Bills and Bonds

4pm

Prime rate	7½	One month	4.14	Three year	5.64
Broker loan rate	7	Two month	4.15	Four year	5.75
Fed.funds	4⅞	Three month	4.47	Five year	6.37
Fed funds at intervention	4⅞	Six month	4.51	Seven year	6.83
		One year	4.62	10-year	7.28
		Two year	5.28	30-year	7.90

Dec.3	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.15-9.25	9.30-9.50	9.25-9.45	9.25-9.45	9.25-9.45	9.25
Paris	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅞-9⅞	9⅝-9⅝	9.25
Zurich	6⅝-6⅝	7⅝-8⅛	-	7⅝-8⅛	-	-
Amsterdam	9.31-9.43	9.40-9.50	-	9.42-9.52	-	-
Tokyo	6⅛-6⅛	6⅝-6⅝	-	6⅛-6⅛	-	-
Milan	11⅛-12⅛	13-13⅛	-	12⅛-12⅞	-	-
Brussels	9⅛-9⅛	9⅛-9⅞	-	9⅝-9⅝	-	-
Dublin	9⅞-10	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	-

LONDON MONEY RATES

Dec 3	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	10⅞	10½	10⅝	10⅝	10⅜	10⅜
Interbank Bid	4½	10⅜	10½	10½	10¼	10¼
Sterling CDs	-	-	10⅝	10⅝	10⅜	10⅜
Local Authority Deps.	10¼	10⅛	10⅝	10⅝	10⅜	10⅜
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	10⅛	10⅛	-	-	-	-
Company Deposits	-	-	10⅝	10⅝	10⅜	10⅝
Finance House Deposits	-	-	[illegible]	10⅝	10⅜	10⅜
Treasury Bills (Buy)	-	-	[illegible]	10⅜	10⅛	-
Bank Bills (Buy)	-	-	10⅛	10⅜	10	-
[illegible] Trade Bills (Buy)	-	-	-	-	-	-
[illegible] CDs	-	-	5.15	4.88	4.80	4.92
SDR Linked Dep. Offer	-	-	7⅝	7⅛	7⅛	7⅛
SDR Linked Dep. Bid	-	-	7⅛	6⅝	6⅝	6⅝
ECU Linked Dep. Offer	-	-	10½	10⅜	10¼	10⅛
ECU Linked Dep. Bid	-	-	10⅜	10⅛	10⅛	10⅛

Treasury Bills (sell); one-month 10⅛ per cent; three months 10⅛ per cent; six months 9⅞ per cent; Bank Bills (sell): one-month 10⅛ per cent; three months 10⅛ per cent; Treasury Bills; Average tender rate of discount 10.0806 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day November 29 ,1991 . Agreed rates for period Dec.25, 1991 to January 25 , 1992, Scheme E 11.74 p.c., Schemes II & III: 11.75 p.c. Reference rate for period November 1,1991 to November 29 , 1991, Scheme IV&V: 10.513 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from December 1 , 1991. Bank Deposit [illegible] for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5,1991 . Deposits withdrawn for cash 5 per cent.

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	10.31	-	10.74	3 Mth
Deposits Over £1 million	10.41	-	10.83	3 Mth
Deposits Over £2 million	10.51	-	10.93	3 Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.30	-	10.70	3-Mth
Cent. Bd. of Fin. of Church of England‡‡ 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	10.30	-	10.70	3-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ 071-236 1425 / 071 236 9362				
TESSA Desk				
Call Fnd	9.87	7.40	10.11	6-Mth
7-day Fund	10.05	7.53	10.30	6-Mth
Special Fund	9.77	7.32	10.21	3-Mth
Dollar	3.49	2.61	3.53	3-Mth
TESSA Prime	9.76	-	10.12	3-Mth
TESSA Plus	9.57	-	9.92	3-Mth
TESSA Saver	9.33	-	9.66	3-Mth

Money Market Bank Accounts

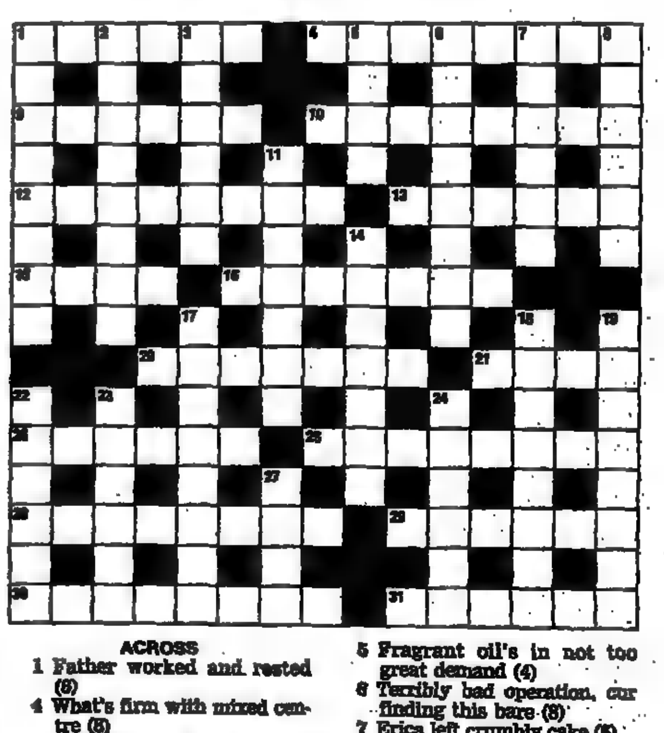
	Gross	Net	Gross CAR	Int Cr
AIB Bank High Interest Cheque Account Belmont Rd, Uxbridge UB8 1SA 0800 282115				
£2,500-£9,999	8.50	6.38	8.77	Qtr
£10,000+	9.25	6.94	9.57	Qtr
Aitken Hume Bank plc 30 City Road, EC1Y 2AY 071-638 6070				
Treasury Acc [illegible]	[illegible]00	6.75	9.31	Qtr
Mth Int Chq £1,0[illegible]	[illegible]	6.75	9.38	Mth
Mth Int Chq £5,0[illegible]	[illegible]	7.125	9.92	Mth
Mth Int Chq £[illegible]	[illegible]	7.50	10.47	Mth
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD 071-626 0879				
TDMMA (£2,001+)	10.90	8.18	11.40	Mth
DMMA (£2,001+)	10.50	7.88	11.02	Mth
HICA (£2,001+)	9.00	6.75	9.38	Mth
Premier TESSA	12.50	9.38	13.24	Yearly
American Express Bank Ltd Sussex House, Burgess Hill, West Sussex, RH15 9AW 0444 239239				
High Performance Cheque Account				
Cardmembers				
£500-£999	3.50	2.63	[illegible]	Mth
£1,000-£4,999	8.50	6.38	[illegible]	Mth
£5,000-£9,999	8.70	6.53	[illegible]	Mth
£10,000-£24,999	9.10	6.83	[illegible]	Mth
£25,000-£49,999	9.30	6.98	[illegible]	Mth
£50,000-£99,999	9.50	7.13	[illegible]	Mth
£100,000+	9.70	7.28	10.1[illegible]	Mth
Non-Cardmembers				
£500-£999	3.25	2.44	3.[illegible]	Mth
£1,000-£4,999	8.25	6.19	8.57	Mth
£5,000-£9,999	8.45	6.34	[illegible]	Mth
£10,000-£24,999	8.85	6.64	[illegible]	Mth
£25,000-£49,999	9.05	6.79	[illegible]	Mth
£50,000-£99,999	9.25	6.94	9.65	Mth
£100,000+	9.45	7.09	9.87	Mth
Bank of Ireland High Interest Cheque Acc 36-40 High St, Slough SL1 1EL 0753 516516				
£2,000-£9,999	8.50	6.375	8.775	Qtr
£10,000+	8.75	6.563	9.041	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH 071-601 6446				
MM Chq Acc £2,500-£24,999	8.65	6.49	9.00	Mth
£25,000+	9.11	6.83	9.50	Mth
Barclays Select PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	8.50	6.38	8.50	-
£10,000-£24,999	9.75	7.31	9.75	-
£25,000-£49,999	10.25	7.69	10.25	-
£50,000+	11.00	8.25	11.00	-
Barclays Prime Account H.I.C.A. PO Box 125, Northampton [illegible]232001				
£1,000-£2,499	7.00	5.25	7.19	Qtr
£2,500-£9,999	7.70	5.78	7.93	Qtr
£10,000-£24,999	8.40	6.30	8.67	Qtr
£25,000+	[illegible]	6.56	9.04	Qtr
[illegible] Bank PLC Premier Account [illegible] Street, W1P [illegible] 071-631 3313				
£[illegible]500-£10,000	9.00	[illegible]	9.31	Qtr
£10,001-£20,000	9.25	6.[illegible]	9.58	Qtr
£20,000+	10.00	7.[illegible]	10.38	Qtr
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2 071-606 9833				
HICA	9.00	6.75	9.31	Qtr
Prof Demand A/c	8.875	6.66	9.16	Qtr
Caledonian Bank Plc 8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	10.00	7.50	-	Yearly
Cater Allen Ltd 25 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	9.00	6.75	9.3807	Mth
Comport £5,000 min	9.625	7.2188	10.0612	Mth
TESSA	10.25	-	10.7482	Mth
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH 071-248 4000				
£2,500-£19,999	9.25	6.94	9.65	Mth
£20,000-£49,999	9.50	7.13	9.92	Mth
£50,000-£99,999	9.75	7.31	10.20	Mth
£100,000+	10.00	7.50	10.47	Mth
$5,000-$49,999	3.25	2.44	3.30	Mth
$50,000-$99,999	3.75	2.81	3.82	Mth
$100,000-$199,999	4.00	3.00	4.07	Mth
$200,000+	4.25	3.19	4.33	Mth
Many other currencies are available - for rates please phone ext 2168				
Clydesdale Bank PLC 30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
£2,000-£24,999	8.25	6.19	8.51	Qtr
£25,000-£99,999	9.00	6.75	9.31	Qtr
£100,000+	9.50	7.13	9.84	Qtr
Co-operative Bank PO Box 300, Skelmersdale, Lancs 0800 616162				
TESSA	11.50	-	-	Yearly
Investment 90 - 90 Day Notice Savings				
£50,000+	10.75	8.10	11.0	6-Mth
£25,000-£49,999	10.50	7.90	10.8	6-Mth
£10,000-£24,999	9.50	7.10	9.7	6-Mth
£5,000-£9,999	8.25	6.20	8.4	6-Mth
Pathfinder - Card Based Current Account				
All Balances	10.00	7.50	10.50	Mth
Tee Tier - Instant Access Savings				
£50,000+	9.50	7.10	9.7	6-Mth
£10,000-£49,999	9.00	6.75	9.2	6-Mth
£5,000-£9,999	7.75	5.80	7.90	6-Mth
£1,000-£4,999	7.25	5.40	7.40	6-Mth
£1-£999	3.50	2.60	3.50	6-Mth
Ultra Interest Bearing Current Account				
£20,000+	6.50	4.90	6.70	Mth
£5,000-£19,999	5.50	4.10	5.60	Mth
£500-£4,999	3.00	2.25	3.00	Mth
£1-£499	2.00	1.50	2.00	Mth
Coutts & Co Reserve Account 440 Strand, London WC2R 0QS 071-753 1000				
For personal customers				
£50,000+	9.125	6.84	9.44	Qtr
£20,000-£49,999	8.625	6.47	8.91	Qtr
£5,000-£19,999	8.125	6.09	8.38	Qtr
For businesses, charities and societies				
£100,000-£1,000,000	8.50	6.40	8.78	Qtr
£25,000-£99,999	8.25	6.19	8.51	Qtr
£10,000-£24,999	7.625	5.72	7.85	Qtr
Coutts Composite Account for clients money 27 Bush Lane, London EC4R 0AA 071-623 3434				
Rates negotiable up to	10.125	-	-	-
Darlington & Co Ltd Investment HICA 70 Prince St, Bristol BS1 4QD 0272 213206				
£50,000-£1m	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.25	6.94	9.58	Qtr
£5,000-£24,999	9.00	6.75	9.31	Qtr
Financial & General Bank plc 13 Lowndes Street, London, SW1X 9EX 071-235 0036				
H.I.D.A. £50,000+	10.85	8.137	11.12	6-Mth
H.I.D.A. £10,000-£50,000	10.50	7.875	10.77	6-Mth
Gartmore Money Management Ltd 16-18 Monument St London EC3R 8QQ 071-236 1425				
HICA £10,000+	8.75	6.56	9.04	3-Mth
Halifax Bldg Soc Asset Reserve Cheque Acc Trinity Road, Halifax HX1 2RG 0422 335333				
£5,000-£9,999	9.05	6.79	9.36	Qtr
£10,000-£24,999	9.850	7.39	10.22	Qtr
£25,000-£49,999	10.35	7.76	10.76	Qtr
£[illegible]0,000 and above	11.00	8.25	11.46	Qtr
[illegible] Hodge Bank Ltd 1[illegible] Windsor [illegible] Cardiff CF1 3BX 0222 220800				
Fixed R[illegible] Acc	11.00	8.25	-	-
[illegible] High Interest Deposit Account				
[illegible]000+	10.75	8.06	11.19	Qtr
£10,000+	10.25	7.69	10.65	Qtr
£5,000+	9.75	7.31	10.11	Qtr
Humberclyde Finance Group Challey Ct, Winchester Rd, Basingstoke 0256 843863				
£50,000+	10.50	7.88	10.82	Qtr
Kleinwort Benson Ltd 158 Kentish Town Rd, London NW5 2BT 071 267 1586				
H.I C.A. (£2,500+)	9.75	7.31	10.21	Daily
Lloyds Bank - Investment Account 71 Lombard St, London EC3P 3BS 0272 433372				
£50,000 and above	10.40	7.80	10.40	Yearly
£25,000+	10.00	7.50	10.00	Yearly
£10,000+	9.80	7.35	9.80	Yearly
£5,000+	8.40	6.30	8.40	Yearly
Midland Bank plc PO Box 2, Sheffield 0742 529394				
Exchequer Acc £5000+	9.78	7.34	10.00	6-Mth
£10,000+	10.02	7.52	10.25	6-Mth
£25,000+	10.49	7.87	10.75	6-Mth
£50,000+	10.73	8.05	11.00	6-Mth
TESSA	11.00	-	11.00	Yearly
NatWest Crown Reserve Account 41 Lothbury, London, EC2P 2BP 071-374 3374				
£25,000 and above	10.25	7.69	10.65	3-Mth
£10,000 to £24,999	10.00	7.50	10.38	3-Mth
£2,000-£9,999	9.625	7.22	9.98	3-Mth
Provincial Bank PLC 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H.I.C.A. (£1,000+)	8.75	6.56	9.11	Mth
Royal Bank of Scotland plc Premium Acc 42 St Andrew Sq, Edinburgh EH2 2YE 031-228 5850				
£50,000+	9.50	7.13	9.84	Qtr
£25,000-£49,999	9.20	6.90	9.52	Qtr
£10,000-£24,999	8.75	6.56	9.04	Qtr
£2,500-£9,999	8.10	6.08	8.35	Qtr
Save & Prosper/Robert Fleming 16-22 Western Rd, Romford RM1 3LB 0800 282101				
Bank £1,000+ Chq Acc	9.00	6.75	9.42	Daily
TESSA Fixed 1 Year	[illegible]	-	9.50	Mth
TESSA Variable	10.29	-	10.79	Mth
[illegible] Bank & Trust Ltd [illegible] 6 Abbey St, Reading RG1 3BA 0734 592543				
HIDA £2,500+	10.50	[illegible]	10.78	6-Mth
Tyndall & Co Ltd 29-33 Princess Victoria St, Bristol 0272 744720				
Demand Acc	09.25	6.94	09.58	Qtr
HIMA	09.13	6.84	09.44	Qtr
HIMA £100,000+	09.38	7.03	09.70	Qtr
Master Plus	09.13	6.84	09.44	Qtr
TESSA	09.88	-	10.23	Qtr
United Dominions Trust Ltd PO Box 135, Abbey St, Reading RG1 3EB 0734 580411				
Capital Plus Cheque Account £1,000+	9.90	7.43	10.27	Qtr
J. Henry Schroder Wagg & Co Ltd 120 Cheapside, London EC2V 6DS 071-382 6000				
Special Acc	8.75	6.56	9.01	Mth
£10,000 and above	9.00	6.75	9.28	Mth
Western Trust High Interest Cheque Acc The Moneycentre, Plymouth PL1 1SE 0752 224141				
£15,000+	10.00	7.50	10.38	Qtr
£5,000-£14,999	9.75	7.31	10.11	Qtr
£1,000-£4,999	9.50	7.13	9.84	Qtr
Wimbledon & South West Finance PLC 114 Newgate St, London EC1 7AE 071-606 9485				
High Int Cheque Acc	10.60	7.95	11.03	Qtr

NOTES- Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

JOTTER PAD

CROSSWORD

No.7,715 Set by FETTLER



ACROSS
1 Father worked and rested (6)
4 What's firm with mixed centre (8)
9 Male cherub has the makings of a rake (6)
10 Dotty old Bob drank a lot (8)
12 Tradition results from people changing role (8)
13 Refined flower on tile intricately worked (6)
15 Indian porridge (4)
16 Pack some together to form a defensive wall (7)
20 What gives support to a divine getting on in years (7)
21 He's coldly abhorred the old Tibetan starters (4)
25 Imprison during bird (6)
26 Dog runs in grass. It's happened again (8)
28 I blur fitfully in the incense burner (8)
29 Mad don is eccentric (3,3)
30 Cut fruit's for use again (2-6)
31 A scene contrived for spiritualists (6)

DOWN
1 One we hear speaking with forked tongue (8)
2 Lad uncle adopted wasn't wanted (8)
3 Archdeacon in the cathedral? Exactly! (6)
5 Fragrant oil's in not too great demand (4)
6 Terribly bad operation, cur finding this bare (8)
7 Erica left crumbly cake (6)
8 Swirled? Dee did (6)
11 Garner one order (7)
14 A bridging tool? (7)
17 Bird seen at RADA (8)
18 One such "rode over the sticks" we hear (8)
19 Relief from cider and wallop (8)
22 One in care of abbess is tertiary novice perhaps (6)
23 Harmonise a tip top refrain (6)
24 Reduce advance that's owing (6)
27 Vulgar girl's regressed, becoming a drab (4)

Solution to Puzzle No.7,714

KIPPER EGYPTIAN
N O A L E G U
IMPORT PARAQUAT
T I N C S R A M
WINO LAPSE ONCE
E J E B B S A G
ADAPTABILITY
R Y H A O A F D
SEDGEWARBLER
P U R E I T A U
RAPE SWINE AMID
E K E H G N E G
SHEEPDIP BONNIE
T E I T V C R
OXPECKER CANOPY

هكذا من الأصل

WORLD STOCK MARKETS

INDICES

NEW YORK

DOW JONES	Dec 3	Dec 2	Nov 29	Nov 28	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
ϕIndustrials	2929.56	2935.38	2894.68	(c)	3077.15 (18/10)	2470.30 (9/1)	3077.15 (18/10/91)	41.22 (2/7/32)
Home Bonds	97.65	97.43	97.19	(c)	97.92 (12/11)	91.30 (16/1)	97.92 (12/11/91)	54.99 (1/10/81)
Transport	1223.28	1199.36	1172.27	(c)	1287.56 (18/10)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	220.64	221.64	218.83	(c)	221.64 (2/12)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

ϕDay's High 2958.18 (2941.64) Low 2904.74 (2855.32)

STANDARD AND POOR'S	Dec 3	Dec 2	Nov 29	Nov 28	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	380.96	381.40	375.22	(c)	397.41 (13/11)	311.49 (9/1)	397.41 (13/11/91)	4.40 (1/6/32)
Industrials	449.02	449.84	442.42	(c)	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	30.41	30.34	29.77	(c)	32.54 (13/11)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	210.55	210.65	207.75	(c)	219.37 (13/11)	170.97 (9/1)	219.37 (13/11/91)	4.46 (25/4/42)
Amex Mkt. Value	372.45	371.89	370.68	(c)	392.37 (12/11)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	533.34	530.91	523.90	(c)	556.17 (13/11)	355.75 (14/1)	556.17 (13/11/91)	54.87 (31/10/72)

	Nov 29	Nov 22	Nov 15	year ago (approx.)
Dow Industrial Div. Yield	3.15	3.15	3.10	4.01

	Nov 27	Nov 20	Nov 13	year ago (approx.)
S & P Industrial div. yield	2.62	2.80	2.67	3.42
S & P Indl. P/E ratio	22.78	22.79	22.04	15.37

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Unisys	7,209,500	5⅛	....
USX-Marathon	3,472,500	24⅜	- 1⅛
Glaxo	2,823,100	29	...
Nabisco	2,466,200	9⅞	...
Wal-Mart	2,276,400	49⅞	+ ⅛
Adv Micro	2,253,900	14⅞	+ ⅛
AT & T	1,917,200	36½	+ ¼
Ohio Ed	1,914,300	19⅞	...
Chiquita	1,717,900	36½	- 4⅞
Ph Morris	1,617,800	68⅛	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Dec 3	Dec 2	Nov 29
New York SE	188,077	188,371	76,790
Amex	11,443	13,247	6,921
NASDAQ	(u)	145,913	66,316
NYSE			
Issues Traded	2,160	2,162	2,059
Rises	825	926	746
Falls	834	779	762
Unchanged	501	457	551
New Highs	62	46	22
New Lows	31	70	44

CANADA

TORONTO	Dec 3	Dec 2	Nov 29	Nov 28	1991 HIGH	1991 LOW
Metals & Minerals	2834.08	2851.27	2846.05	2854.58	3299.99 (18/7)	2632.06 (9/1)
Composite	3453.41	3456.38	3448.51	3436.64	3604.09 (12/11)	3161.95 (15/1)
MONTREAL Portfolio	1825.15	1819.91	1815.84	1810.02	1907.35 (12/11)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable

	Dec 3	Dec 2	Nov 29	Nov 28	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1607.9	1591.1	1605.7	1604.7	1696.3 (8/11)	1204.5 (16/1)
All Mining (1/1/80)	641.5	630.8	638.5	640.5	707.2 (24/7)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	403.54	403.87	412.41	413.87	534.81 (16/4)	385.58 (4/1)
BELGIUM						
BEL20 (1/1/91)	1067.44	1059.37	1069.06	1070.82	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	352.04	350.97	354.24	354.28	380.04 (2/8)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	822.2	839.9	847.1	831.1	1186.9 (8/4)	810.3 (14/11)
FRANCE						
CAC General (31/12/82)	470.84	471.92	477.39	480.22	503.51 (15/11)	394.88 (15/1)
CAC 40 (31/12/87)	1722.21	1708.78	1739.70	1754.88	1887.29 (1/10)	1425.36 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	635.07	633.71	642.82	650.82	717.43 (17/6)	570.48 (15/1)
Commerzbank (1/12/53)	1793.40	1789.40	1814.60	1837.40	2035.2 (31/5)	1612.5 (15/1)
DAX (30/12/87)	1546.84	1545.44	1566.57	1588.16	1715.80 (11/6)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4124.38	4094.42	4149.80	4145.61	4271.34 (15/11)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1350.69	1347.51	1353.30	1353.03	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	513.28	510.25	518.50	520.77	619.36 (3/6)	486.36 (29/1)
JAPAN						
Nikkei (16/5/49)	22166.83	21992.29	22687.35	22780.42	27146.91 (18/3)	21456.76 (19/8)
Tokyo SE (Topix) (4/1/68)	1708.59	1692.40	1731.30	1734.18	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	2496.92	2508.10	2528.55	2541.38	3423.45 (10/5)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	528.38	538.21	532.09	532.32	635.02 (29/5)	470.41 (16/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	272.5	270.1	273.2	273.6	284.8 (5/6)	221.4 (16/1)
CBS All Shr (End 1983)	191.4	189.6	191.9	192.2	203.1 (5/6)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	598.72	595.77	624.56	634.16	793.53 (26/8)	595.77 (2/12)
PHILIPPINES						
Manila Comp (2/1/85)	1104.91	1096.03	1088.08	1092.04	1183.40 (29/5)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	391.19	390.26	393.12	392.96	422.43 (26/4)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1216.0&	1257.0	1233.0	1236.0	1469.0 (5/7)	971.0 (25/2)
JSE Industrial (28/9/78)	4172.0&	4175.0	4230.0	4208.0	4364.0 (13/11)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex (4/1/80)	643.93	651.44	652.47	660.73	763.10 (6/8)	590.57 (22/6)
SPAIN						
Madrid SE (30/12/85)	244.12	243.14	246.42	246.71	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affarsvärlden Gen (1/2/37)	932.60	932.20	964.80	945.90	1149.8 (11/7)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind (31/12/58)	714.7	708.9	719.7	727.6	769.3 (14/11)	590.4 (14/1)
SBC General (1/4/87)	584.6	580.1	586.9	592.4	638.0 (31/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	4343.24	4355.02	4391.61	4453.58	6305.22 (9/5)	3316.26 (15/1)
THAILAND						
Bangkok SET (30/4/75)	663.75	666.60	671.07	667.86	908.13 (19/4)	582.98 (16/1)
WORLD						
M.S. Capital Intl (1/1/70) ($)	501.6*	499.4	500.0	501.9	529.2 (17/4)	439.1 (16/1)

**Saturday November 30. Taiwan Weighted Price. 4378.50; Korea Comp Ex. 652.11
*Calculated at 15.00 GMT
& Subject to official recalculation.
Base values of all indices are 100 except BEL20, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 25 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable

TOKYO - Most Active Stocks

Tuesday, 3 December 1991

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Meiji Milk Prod	6.0	1,090	+30	Japan Steel	2.8	536	+6
Nippon Steel	3.8	388	0	Mitsub. Heavy	2.8	673	+7
Meiji Seika	3.6	850	+14	Hitachi Zosen	2.7	631	+8
Hitachi	3.3	924	+24	Toshiba	2.6	619	+2
Okamoto	3.2	1,120	+10	Sanyo-Kokusaku	2.4	605	0

Price data supplied by Telekurs.

4:00 pm prices December 3

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1991 High	1991 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16⅞	9¼	AAR Corp	0.48	3.9	16	676	12¼	12	12¼	-⅛
22⅞	14½	A L Labs A	0.16	0.8	22	620	20	19⅞	19⅞	-⅛
55¾	40⅞	AMP Inc	1.44	2.7	21	2014	53¼	51⅞	53¼	+1⅜
68⅝	44¼	AMR				115397	61	59⅞	60⅞	+⅞
2⅝	1	ARX			1	30	1¼	1⅛	1¼	+⅛
58	41½	ASA	3.00	6.1	14	282	49½	49	49⅛	-⅜
61⅛	39¾	Abbott Lab	1.00	1.7	24	2851	59⅞	59⅛	59¼	-⅛
14⅝	9⅞	Abitibi Pr	0.44	3.3	17	20	13¼	13¼	13¼	-⅛
11⅞	10⅜	ACM Gvt In	1.26	11.4		479	11⅛	10⅞	11	
9⅞	8¾	ACM GvOpp	1.01	10.5		155	9⅝	9½	9⅝	
9½	8¼	ACM Gvt Sp x	1.01	11.1		289	9⅛	9⅛	9⅛	-⅛
11	9⅞	ACM Gvt Se x	1.26	11.8		222	10⅝	10½	10⅝	+⅛
9	7⅝	ACM Man	1.01	11.7		548	8⅞	8½	8⅝	
12⅞	11½	ACM Managd	1.35	11.1		146	12¼	12⅛	12⅛	-⅛
7½	4⅞	Acme Cleve	0.40	6.4	13	164	6⅞	6	6⅛	
6	3⅜	Acme Elect			3	5	4⅞	4⅞	4⅞	
40	22¾	Acuson			18	12764	32	28¼	28⅝	-4⅝
20¼	14⅞	Adams Exp x	1.63	9.2	0	191	17⅞	17⅝	17⅝	
20⅛	17½	Adobe12Pf	2.40	12.9		68	18⅝	18½	18⅝	
9¼	6⅛	Adobe Res			62	14	6¼	d6⅛	6¼	
38⅞	18	Ad Micro x				381	38¼	37¾	38¼	+1
14⅝	4⅝	Ad Micro P	3.00	20.2	74	1970	u15	14⅜	14⅞	+½
5⅛	2¼	Advest Grp	0.16	3.6	6	116	4½	4⅜	4⅜	-⅛
49⅛	31⅞	Aetna Lf x	2.76	7.0	7	1580	39⅛	38⅝	39⅛	+⅜
10⅝	6⅝	Afld A	0.24	2.8	77	1145	8⅝	8⅜	8½	
20⅞	12	Ahmanson	0.88	6.1	9	1872	14⅞	14½	14½	-⅛
18⅞	2⅞	Aileen Inc			18	358	u18½	17¾	18½	+1¼
74⅛	51⅞	Air Pr Chm x	1.56	2.3	15	897	69	64	68¾	+1⅜

1991 High	1991 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
38	28	Barnes Grp x	1.40	3.8	14	11	36⅝	36½	36½	-⅛
36⅞	15½	Barnett Bk x	1.32	4.6	23	908	29⅛	28¼	29	-⅜
8⅞	4⅞	Barold v	0.20	4.1	14	3235	5	d4⅞	4⅞	-⅛
10⅝	5⅞	Battle Mt	0.10	1.4	36	2028	7⅝	7¼	7⅜	-⅛
55¼	31¾	Bausch Lmb x	0.72	1.3	21	2908	54	53	53¾	+⅜
44⅛	35½	Baxter Pff x	3.30	7.6		95	43⅝	43	43⅛	-⅛
39⅞	25⅝	Baxter x	0.74	2.0	17	8919	36⅝	35¾	36⅛	
23⅝	18⅝	Bay St Gas	1.34	6.0	16	41	22⅝	22⅜	22⅜	
22⅛	20	Bd Tr 1898	1.82	8.3		19	22	21¾	21⅞	
17⅞	6½	Bear Strns	0.57	3.8	9	7193	15⅛	14½	15	+½
41½	35½	BearStPIA x	3.28	8.3		2	40½	40½	39⅞	-1⅛
23¾	15¼	Bearings	0.64	3.4	30	74	18⅞	18¼	18¾	+⅜
13⅛	3¾	Beazer ADR			12	2971	8¼	8⅛	8⅛	

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

1991 High	1991 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close	Ch'ge
65	35¼	Xerox x	3.00	4.7	60	8304	64	63¼	63⅝	+⅝
51¾	43¼	Xerox125 x				2	51	51	51	+1¼
23¼	14⅛	Xtra 1.94				2	23	23	22½	
29⅝	14¼	Xtra Corp	0.72	2.7	90	58	27	26¾	27	+¼
27⅞	21⅜	Yankee Egy	1.60	6.0	12	48	26⅞	26½	26⅞	+½
1½	⅝	Zapata			62	132	⅝	d⅝	⅝	+⅛
9⅝	5¼	ZenithElec			2	825	7⅛	6⅝	7⅛	+⅝
16½	12	Zenith Nat	1.00	6.5	128	156	15¾	15¾	16⅝	−⅛
8⅝	4½	Zenix Inc	0.84	13.7		164	6¼	6¼	6⅛	−⅛
15¼	10⅜	Zero Corp	0.40	3.7	14	116	11⅛	d10⅞	10¾	−⅛
41⅞	29½	Zurn Ind x	0.88	2.6	13	177	34⅛	33⅞	34	−¼
13½	10¼	Zweig Fund	1.16	9.2		836	12⅝	12½	12⅝	
10½	8½	Zweig Totl	0.96	9.2		373	10⅜	10¼	10⅜	

Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full

AMEX COMPOSITE PRICES

4:00 pm prices December 3

NASDAQ NATIONAL MARKET

4:00 pm prices December 3

AMERICA

Equities in cautious mood before employment data

Wall Street

US STOCKS held steady at slightly lower levels yesterday as the market paused after the previous day's sharp rally, *writes Karen Zagor in New York.*

The Dow Jones Industrial average shed 5.82 to 2,929.56 amid unexceptional New York SE volume of 188m shares. Declines edged ahead of rises by 838 to 811. The Standard & Poor's 500 ended 0.43 off at 380.97. On Monday the Dow closed 41 points ahead after reversing an early slide.

The 30-blue chip Dow indicator seems to have found support at 2,900, but investors in all US markets remained cautious ahead of Friday's release of the November employment report.

Trading in Treasuries was subdued yesterday morning, but hopes of an imminent easing of monetary policy lifted prices in late trading.

Yesterday's economic data, showing new single-family home sales up 2.2 per cent in October and the index of leading indicators 0.1 per cent ahead in the month, paled into insignificance as the market waited for the employment figures. It is widely believed that any change in monetary policy by the end of the year will be determined by the jobs numbers.

Unisys led big board trading for a second day, amid growing rumours that the ailing computer maker may soon be acquired. The stock closed $1/8 easier at $5.

USX-Marathon Group, the oil and gas exploration company, tumbled $2⅞ to $24⅝ on reports that the company's well in Tunisia had shown only minor, non-commercial levels of oil.

Reports that Pan Am's Chapter 11 reorganisation plan was floundering and that Delta Air Lines had halted any further funding of Pan Am spurred active trading in the airline sector. Delta climbed $2⅞ to $60¼ and AMR $⅞ to $60⅞.

The reports helped to push the Dow Jones Transportation Average up 23.92 to 1,223.28. UAL, parent of United Airlines, gained $2⅜ to $129⅛. News that UAL expects to post a record 1991 loss came after the close of trading.

Glaxo continued to benefit from Monday's marketing approval of its anti-migraine drug Imigran in Italy. If the drug receives approval from the US Food & Drug Administration, analysts believe that it could some day reap sales of $1bn. Glaxo's American Depositary Receipts rose in morning trading before ending a net $⅛ off at $28⅞.

AT&T edged $¼ higher to $36¼. The US telecommunications giant expects to take a one-time charge for health liabilities in the first quarter of 1993. The company estimates that its after-tax accumulated liabilities are between $5.5bn and $7.5bn, but said that earnings would be reduced by no more than $100m annually. AT&T earned $3.1bn in 1990.

Over-the-counter issues outperformed primary stocks, with the Nasdaq composite adding 2.43 at 533.34.

Oracle Systems, which markets database management software, dropped $1¼ to $12⅞ in active trading after analysts at Dean Witter and Soundview Financial cut second-quarter earnings estimates for the company.

Canada

TORONTO share prices showed little overall movement in moderate trading. The composite index ended just 3.0 off at 3,453.4 and losing issues were ahead of gains by 330 to 227 after volume of 20.6m shares.

The gold group fell 1.79 per cent as the New York bullion price lost US$3 an ounce.

Argentina expects boost from flagship issue

John Barham examines prospects for the world's best performing market this year

ARGENTINA's stock exchange, the fastest growing in the world this year, will receive a hefty infusion this month when shares in the country's first privatised company make their debut.

The government expects to raise $650m by Christmas from the sale of its 30 per cent stake in Telefónica de Argentina, the privatised telephone group, to local investors and to foreigners through an international private placement co-ordinated by Merrill Lynch. Roadshows to promote the shares are scheduled throughout Argentina, the US and Europe, ending in London on December 9.

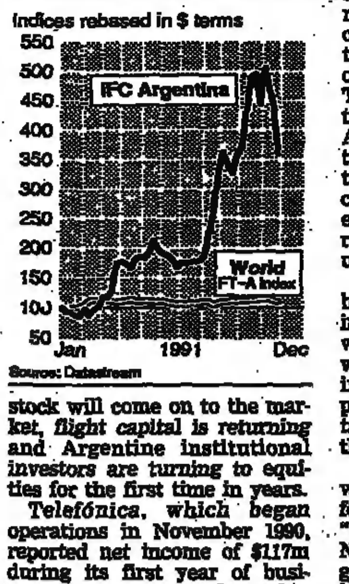
About $4bn to $5bn worth of privatisation issues is expected to hit the Buenos Aires market over the coming years, transforming a market which has already undergone remarkable change this year.

Argentine equities took off in April, when decades of gloom over the economy gave way to sudden optimism about the government's market-oriented reforms. The Buenos Aires Exchange's local market index has risen 581 per cent from a level of 21,998,000 at the beginning of this year to 149,894,400 on Monday, after reaching a 1991 high of 175,000,000. In dollar terms, the market has climbed 260 per cent this year. Average daily turnover has ballooned to $20m to $30m from $2m to $4m seen a year ago.

The rally has been fuelled by a surge of capital chasing a limited supply of stocks. Part of the money comes from Argentine investors' offshore savings, part from foreign investors. Foreign funds now hold about 8 per cent of Argentina's $12bn worth of equities.

Mr Martin Redrado, head of the National Securities Commission (CNV), says: "A main goal is to bring new shares to the market to avoid a bottleneck." He adds that he is doing all he can to encourage companies to issue more equity or to list for the first time.

He doubts that the arrival of Telefónica stock, followed by a deluge of shares in other privatised companies and new issues by listed companies, will satiate investors. While more stock will come on to the market, flight capital is returning and Argentine institutional investors are turning to equities for the first time in years.



Source: Datastream

Telefónica, which began operations in November 1990, reported net income of $117m during its first year of business, on revenues of $1.11bn. But for a flagship issue, the Telefónica sale has become a sorry tale of ineptitude and confusion.

A year ago, the government split the national telephone network in two. It sold 60 per cent of one half to a consortium led by Spain's state-owned telephone company, Telefónica, while 60 per cent of the other half went to Telecom Argentina, a group comprising the French and Italian state telecoms companies. Ten per cent is held in trust for employees. The privatisations raised $5.03bn in a debt-for-equity swap, plus $214m in cash.

Since then, the government has failed to unload its shares in the two companies. Disputes within the consortia, bickering with underwriters, government indecision and inexperience, plus a predictable tangle of red tape have delayed the sale all this year.

An executive at a bank which swapped Argentine debt for shares in Telefónica says: "We are totally confused. Nobody seems to know what is going on. This is a flagship issue, but it is turning out to be a total mess, which is scaring people off."

Nevertheless, Mr Christopher Ecclestone, a Buenos Aires-based equities researcher, expects investors to gobble up the shares: "Telefónica has a legal monopoly over the southern half of Argentina, charges high rates and has installed 115,000 new lines this year. High profitability is virtually guaranteed."

Equity prices fell last month as investors moved into cash to buy Telefónica stock or took profits. The market was also edgy about the talks with the International Monetary Fund. Few investors, however, seem anxious about an increasingly overvalued exchange rate, although the fragility of public finances and the feasibility of the government's fast-paced privatisation schedule do raise concern.

Still, investors are becoming more selective now that the initial euphoria is over and the realisation sinks in that markets go down as well.

Although Mr Redrado is deregulating, reducing transaction costs, cracking down on illegal speculation and demanding more disclosure from companies, he warns: "Volatility is something you will just have to learn to live with."

ASIA PACIFIC

Bargain hunting at lower levels supports Nikkei

Tokyo

BARGAIN hunting countered small-lot arbitrage-related selling yesterday, and the Nikkei average, which fell 3 per cent on Monday, gained ground for the first time in five trading days, *writes Emiko Terazono in Tokyo.*

The 225-issue average closed 174.54 up at 22,166.83 after extremes of 22,364.59 and 21,923.59. The overnight advance on Wall Street prompted buying at the start of the session, but the index soon fell back on arbitrage-linked selling.

Bargain hunters came in at the lower levels. Reports that Mr Tustomu Hata, the finance minister, had said that the Finance Ministry was closely monitoring the market, also encouraged traders.

Dealers said investment trusts had placed buy orders around the 21,800 Nikkei level. Investors were also encouraged by fundamental factors, such as the higher yen and lower short-term interest rates.

Volume improved modestly to 250m shares from 200m. Foreigners and domestic institutional investors were buying in small amounts. Rises led falls by 655 to 282, with 163 issues unchanged. The Topix index of all first section stocks put on 16.19 to 1,708.59 and, in London, the ISE/Nikkei 50 index closed 2.02 firmer at 1,286.17.

At the end of the day, traders were relieved that the Nikkei had not fallen further. "There is no proof that the market has hit its bottom, but some stocks are exhibiting good signs of recovery," commented Mr Peter Tasker at Kleinwort Benson International. He pointed out, however, that while investors were buying shares of leading companies, smaller stocks on the second section and the over-the-counter markets were neglected.

In contrast to foreign brokers, domestic houses were generally pessimistic about an early recovery in share prices. Mr Shiomichi Kawamoto at Nikko's research centre said the Nikkei had not bottomed out. "Share prices are not reacting to lower interest rates, but to problems in the supply/demand situation and lower company earnings prospects for the current year. These factors have yet to be discounted in share prices," he added.

International blue chips picked up on bargain hunting by foreigners. Hitachi moved ahead Y24 to Y924 and Sony Y110 to Y4,330.

Speculators once again targeted Aids-related shares. Meiji Milk Products, the day's most active issue, rose Y30 to Y1,090 and Okamoto, the prophylactic maker, added Y10 at Y1,120.

Roadbuilders were strong on reports that a project to build a second expressway linking Tokyo and Nagoya would start next year. Nippon Hodo climbed Y20 to Y2,950 and Nippon Road Y70 to Y1,570.

Canon, the precision maker, appreciated Y50 to Y1,370 on an announcement that the company would invest Y100bn in its liquid crystal display business by 1995. Projections of a 3 per cent rise in pre-tax profits for the current fiscal year also provided support.

In Osaka, the OSE average rose 102.26 to 23,781.58 on volume of 10.7m shares.

Roundup

WALL STREET'S overnight gains and Tokyo's recovery underpinned the Pacific Rim yesterday.

AUSTRALIA's rebound took the All Ordinaries index up 16.8 to 1,607.9 in turnover of A$195m, against A$125m.

Building products group James Hardie declined 7 cents to A$2.95 ahead of its half-year results due this week.

NEW ZEALAND finished mixed. The NZSE-40 index moved in a tight range before closing 4.57 higher at 1,490.08. Turnover rose to NZ$16.9m from Monday's paltry NZ$7.5m.

Dual-listed stocks were supported by Australia's rise, with Telecom gaining 5 cents to NZ$2.49 in volume of 1.9m shares. Carter Holt Harvey, which will be listed on the Australian stock exchange tomorrow, firmed 3 cents to NZ$2.24 on 610,000 shares.

TAIWAN reversed early gains to end lower as Hualon Group, one of the market's most active players, sold second-line stocks. The weighted index lost 11.78 to 4,343.24, its seventh consecutive decline. Turnover decreased to T$15.88bn from T$17.02bn.

HONG KONG rose in early trading on bargain hunting but closed below the day's best. The Hang Seng index gained 28.96 at 4,124.38, recovering more than half of Monday's 55-point fall. Turnover grew to HK$1.13bn from HK$951m.

SEOUL tumbled on persistent bankruptcy fears, extending its almost unbroken losing streak into 18 out of the last 20 trading sessions. The composite index shed 7.51 to 643.93 in thin turnover of Won133.8bn, after Won125.2bn.

MANILA ended mixed to higher in light trading, helped by selective bargain hunting in the commercial and industrial sectors. The composite index added 8.88 at 1,104.91 in steady turnover of 46m pesos.

KUALA LUMPUR was mixed after profit-taking eroded an early advance. The composite index ended 0.17 up at 528.28. Volume slipped to M$34.9m from M$41.6m.

SINGAPORE's Straits Times Industrial index edged up 1.35 to 1,440.40 in turnover of S$55.6m (S$52.4m).

KARACHI hit yet another new high, the KSE 50-share index rising 62, or 2 per cent, to 3,149, about double its level during the early months of this year. Dealers said demand from foreign funds produced yesterday's gains.

EUROPE

Special situations dominate continental trade

SPECIAL situations dominated trading yesterday, *writes Our Markets Staff.*

PARIS welcomed the overnight rise in New York, and finished higher after four days of losses. The CAC 40 index closed near its day's high at 1,722.21, up 13.43 or 0.8 per cent. Options-related activity lifted turnover to about FFr2.3bn from FFr1.9bn.

Arjomari-Prioux, requoted after its suspension on November 21, was the most active stock in trading worth about FFr498m – more than one-fifth of total turnover. Arjomari, which is no longer included in the CAC 40 index, jumped FFr371 or 18.4 per cent to FFr2,391 in volume of 208,710 shares, while Saint Louis, which has offered to buy in the minority in Arjomari, fell FFr32 or 2.7 per cent to FFr1,173.

Also strong was Elf Aquitaine on reports that investors are queueing up for next week's issue of 5.78m shares or 2.3 per cent of the oil group. Elf gained FFr8.10 or 2.1 per cent to FFr390 in turnover of FFr109m. One dealer said that the new shares were expected to be priced at FFr400, compared with FFr408.70 just before the sale was announced in mid-November.

CMB Packaging gained FFr5.90 or 3.8 per cent to FFr160.90 in volume of 173,850 shares, but several blue chips were weak. Alcatel Alsthom fell FFr4 to FFr548 in turnover of FFr223m.

Scoa, the trading group which plans to raise its capital by up to FFr1.5bn, rose 85 centimes or 4.1 per cent to FFr21.80.

FRANKFURT saw its early gains wiped out after a sharp drop in December DAX futures. Following a 1.76 rise to 635.07 in the FAZ index at mid-session, the DAX closed just 1.40 higher at 1,546.84. Turnover rose from DM4.5bn to DM4.8bn.

The resurgence in the tyre-maker, Continental, which gained DM10 to DM208, was followed by AEG, the loss-making Daimler electronics subsidiary, which rose DM6.20 to DM205 on turnround hopes. Altana, which has litigation problems in its babyfood business, recovered DM9 to DM589 and Linotype, drastically downgraded this year, was DM9 better on the day at DM309.

Conti apart, the special situations traded in thin volume. However, SEL, in which Alcatel is buying in the minority, traded in DM93m yesterday as the shares rose DM25.50 to DM440.50.

MILAN closed firmer on isolated bargain-hunting, but trading remained thin. The Comit index rose 3.03 to 513.28 in turnover estimated at L80bn after Monday's L70bn.

Pirelli ordinary shares officially closed L109 or 8.4 per cent down at L1,200, but rebounded to L1,250 later.

Olivetti continued to weaken, falling 1.5 per cent or L45 to L2,820. The group's holding company, Cir, fell L20 to L1,900 in continuous trading.

Italgas, which forecast that turnover would rise by 12 per cent this year, gained L5 to L3,135 on bargain hunting.

ZURICH traders said that volume remained disappointing as the Crédit Suisse index recovered 3.9 to 451.5. The Swiss Pirelli slide extended with another SFr40, or 13 per cent, drop to SFr265.

Brown Boveri recovered SFr40 to SFr3,210 after its recent precipitous drop and Nestlé, recently left behind by other food majors, saw its bearers rise SFr100 to SFr8,380. There was also some interest in engineering companies, which have been under pressure recently; Georg Fischer bearers firmed SFr35 to SFr890, Schindler SFr50 to SFr3,350 and Sulzer SFr100 to SFr4,100.

BRUSSELS was enlivened by news of restructuring proposals at Acec-Union Minière, the non-ferrous metals arm of Société Générale de Belgique. La Générale gained BFr40 to BFr1,880 in active trading of 36,050 shares; Acec-UM was suspended. The Bel20 index rose 8.07 to 1,067.44.

HELSINKI was pushed down by foreign sales of free shares, the Hex index falling 18.3 or 2.2 per cent to 821.6. OSLO, however, steadied after Monday's 5.1 per cent fall. The all-share index rose 1.20 to 376.59 in turnover of NKr440m.

Norsk Hydro recouped NKr5.5 of its recent losses to NKr130, a rise of 4.4 per cent, in spite of news that a US Commerce Department study said that the company's magnesium exports from Canada were unfairly subsidised.

STOCKHOLM ended flat after a strong start. The Affärsvärlden General index rose just 0.4 to 932.6 in turnover of SKr352m after SKr411m.

The MADRID general index firmed 2.50 or 1 per cent to 245.64, but turnover was light at Pta6bn, down from Pta10bn. AMSTERDAM rose in featureless trading. The CBS Tendency index added 0.7 to 88.3.

FT-SE Eurotrack 100 - Dec 3

Hourly changes

Open	10 pm	11 am	Noon	1 pm	2 pm	3 pm	Close
1056.84	1056.01	1052.61	1053.94	1053.71	1054.58	1054.85	1056.25

Day's High 1056.89 Day's Low 1052.34

Dec 2	Nov 29	Nov 28	Nov 27	Nov 26
1047.98	1062.98	1070.78	1069.79	1071.48

Base value 1000 (26/10/90)

SOUTH AFRICA

GOLD SHARES were hit by a late slide in bullion prices but industrials held up well. The all-gold index fell 41 to 1,216, while the industrial index eased 3 to 4,172 after an early rise to 4,182. The overall index fell 13 to 3,505.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY DECEMBER 3 1991								MONDAY DECEMBER 2 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (69)	151.67	+1.4	126.94	124.11	127.23	128.47	+1.2	4.54	149.65	124.89	122.93	125.19	127.00	160.31	112.74	121.97
Austria (20)	166.59	+0.0	139.42	136.32	139.75	139.68	+0.3	2.07	166.61	139.04	136.86	139.37	139.20	222.37	153.86	198.64
Belgium (47)	132.64	+0.7	111.01	108.53	111.26	108.60	+1.0	5.45	131.68	109.89	108.18	110.15	107.49	151.20	118.04	135.02
Canada (115)	137.52	+0.0	115.09	112.52	115.35	112.92	+0.1	3.30	137.50	114.75	112.94	115.01	112.81	144.28	126.49	126.92
Denmark (37)	252.64	−0.3	211.44	206.74	211.93	215.53	+0.2	1.66	253.29	211.38	208.06	211.88	215.13	270.56	217.74	239.96
Finland (15)	76.01	−3.5	63.61	62.20	63.76	69.72	−3.2	3.49	78.79	65.78	64.73	65.91	71.99	125.15	76.01	105.86
France (109)	138.19	+0.8	115.66	113.07	115.91	119.50	+0.8	3.71	137.40	114.67	112.86	114.93	118.54	152.26	119.11	140.24
Germany (65)	108.89	−0.1	91.13	89.11	91.34	91.34	+0.2	2.52	108.96	90.93	89.51	91.14	91.14	125.35	94.16	115.53
Hong Kong (55)	169.48	+0.7	141.84	138.68	142.18	168.95	+0.8	4.39	168.29	140.45	138.24	140.78	167.68	176.14	119.62	122.58
Ireland (18)	153.58	+0.3	128.53	125.67	128.83	130.95	+0.4	3.83	153.16	127.82	125.81	128.12	130.48	182.46	132.88	147.89
Italy (77)	71.63	+0.6	59.95	58.61	60.08	65.12	+0.8	3.56	71.21	59.42	58.49	59.56	64.60	88.23	64.76	78.82
Japan (474)	130.56	+1.4	109.28	106.85	109.55	106.85	+1.0	0.80	128.79	107.48	105.79	107.75	105.79	146.97	118.23	116.53
Malaysia (68)	202.06	+0.2	169.11	165.34	169.50	214.09	+0.2	2.91	201.73	168.35	165.70	168.75	213.73	247.78	189.18	192.47
Mexico (17)	1330.09	−0.5	1113.17	1088.38	1115.75	4422.38	−0.5	1.16	1337.40	1116.13	1098.58	1118.75	4446.67	1404.63	534.45	585.55
Netherland (31)	143.13	+0.7	119.79	117.12	120.07	118.86	+1.1	4.54	142.08	118.58	116.71	118.86	117.60	148.25	125.70	133.81
New Zealand (14)	47.99	+0.4	40.16	39.27	40.26	45.33	+0.8	6.13	47.79	39.89	39.26	39.98	45.05	54.64	41.18	47.20
Norway (30)	157.47	+0.3	131.79	128.86	132.10	135.78	+0.6	1.90	157.08	131.09	129.03	131.40	135.01	223.24	157.08	221.02
Singapore (38)	205.06	−0.2	171.62	167.80	172.02	157.10	−0.1	2.22	205.48	171.49	168.79	171.89	157.24	213.93	151.63	153.95
South Africa (61)	265.14	−1.1	221.90	216.95	222.41	177.51	−0.3	2.77	268.05	223.71	220.18	224.23	178.09	271.99	173.00	176.11
Spain (53)	146.21	+0.7	122.37	119.64	122.65	114.09	+1.0	4.85	145.14	121.13	119.23	121.41	112.92	171.12	131.51	145.62
Sweden (25)	167.40	−0.4	140.10	136.99	140.43	148.46	−0.2	3.04	168.04	140.24	138.04	140.57	146.71	204.12	146.80	164.29
Switzerland (59)	93.25	+0.7	78.04	76.31	78.24	82.53	+1.0	2.45	92.56	77.25	76.04	77.44	81.72	100.67	82.17	89.71
United Kingdom (239)	171.26	−0.2	143.33	140.13	143.65	143.33	+0.1	5.20	171.53	143.15	140.89	143.48	143.15	187.44	156.27	165.58
USA (526)	155.17	−0.1	129.86	126.97	130.17	155.17	−0.1	3.13	155.29	129.60	127.57	129.91	155.29	161.59	125.95	131.77
Europe (825)	136.98	+0.2	114.64	112.09	114.91	115.45	+0.4	4.18	136.75	114.13	112.34	114.40	114.95	151.52	125.50	136.80
Nordic (107)	171.03	−0.3	143.14	139.95	143.47	142.46	+0.0	2.27	171.60	143.21	140.96	143.55	142.46	200.81	155.55	174.03
Pacific Basin (718)	132.06	+1.3	110.52	108.06	110.78	109.07	+1.0	1.14	130.32	108.76	107.06	109.02	108.02	146.92	117.86	116.67
Euro – Pacific (1543)	134.35	+0.9	112.44	109.92	112.69	112.38	+0.8	2.38	133.21	111.17	109.41	111.42	111.53	147.66	121.29	125.20
North America (641)	154.00	−0.1	128.88	126.03	129.20	152.31	−0.1	3.14	154.11	128.62	126.61	128.94	152.42	160.44	125.91	131.38
Europe Ex. UK (586)	116.39	+0.4	97.41	95.28	97.66	99.39	+0.7	3.42	115.92	96.74	95.24	96.99	98.72	129.80	103.58	119.00
Pacific Ex. Japan (244)	146.65	+0.8	122.74	120.02	123.03	129.94	+0.8	4.18	145.45	121.39	119.50	121.69	128.94	153.19	111.40	117.56
World Ex. US (1736)	136.60	+0.8	114.32	111.79	114.59	114.16	+0.7	2.41	135.56	113.13	111.36	113.40	113.37	148.16	122.32	126.02
World Ex. UK (2023)	139.03	+0.5	116.35	113.77	116.64	125.29	+0.4	2.38	138.30	115.42	113.61	115.70	124.74	146.16	120.06	123.23
World Ex. So. Af. (2201)	141.01	+0.5	118.01	115.39	118.30	126.56	+0.4	2.67	140.34	117.12	115.29	117.40	126.03	148.68	122.82	126.70
World Ex. Japan (1788)	149.15	+0.0	124.83	122.06	125.14	138.17	+0.1	3.64	149.10	124.44	122.49	124.75	137.97	155.69	126.69	133.69
The World Index (2262)	141.64	+0.5	118.71	116.07	118.99	127.02	+0.4	2.67	141.20	117.84	115.99	118.12	126.50	149.37	123.28	126.99

هكذا من الأصل